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# SOUTHERN AFRICA TRADE HUB

ANNUAL REPORT FOR THE PERIOD  
OCTOBER 2013 - SEPTEMBER 2014



23 October, 2014

This publication is prepared for USAID by AECOM International Development to report on the work and milestones of the USAID Southern Africa Trade Hub under Contract No. 674-C-00-10-00075-00.

# SOUTHERN AFRICA TRADE HUB

## ANNUAL REPORT FOR THE PERIOD OCTOBER 2013 - SEPTEMBER 2014 FY 2014

**Contract No. 674-C-00-10-00075-00**

**Submitted to:**

USAID South Africa

**Prepared by:**

AECOM International Development

**DISCLAIMER:**

The authors' views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Cover photo: Women Cleaning Soy Beans During Trade Hub-led Training, Nampula Province, Mozambique.

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# ACRONYMS

<b>AAFA</b>	American Apparel and Footwear Association
<b>ACE</b>	(Malawi) Agricultural Commodity Exchange
<b>ACTIF</b>	African Cotton & Textile Industries Federation
<b>AGOA</b>	African Growth and Opportunity Act
<b>ANSI</b>	American National Standards Institute
<b>ATI</b>	African Trade Insurance
<b>AVC</b>	Agricultural Value Chains
<b>AW</b>	ASYCUDA World
<b>B2B</b>	Business-to-Business
<b>BITC</b>	Botswana Investment and Trade Centre
<b>BOCCIM</b>	Botswana Confederation of Commerce, Industry and Manpower
<b>BURS</b>	Botswana Unified Revenue Service
<b>CASS</b>	Central African Seed Services
<b>CBM</b>	Coordinated Border Management
<b>CE</b>	Clean Energy
<b>CFA</b>	Clearing and Forwarding Agents
<b>COP</b>	Chief of Party
<b>CPI</b>	Investment Promotion Institute
<b>CTICC</b>	Cape Town International Convention Centre
<b>DIA</b>	Department of Industrial Affairs
<b>DOE</b>	Department of Energy (Swaziland)
<b>DSQA</b>	Lesotho Department of Standards and Quality Assurance
<b>DTI</b>	Department of Trade and Industry (South Africa)
<b>DTIS</b>	Diagnostic Trade Integration Study
<b>ECOWAS</b>	Economic Community of West African States
<b>EE</b>	Enabling Environment
<b>EIF</b>	Economic Integrated Framework
<b>ERB</b>	Energy Regulation Board
<b>ETG</b>	Energy Thematic Group
<b>FtF</b>	Feed the Future
<b>FY</b>	Fiscal Year
<b>GAZEDA</b>	Special Economic Zones Authority
<b>GCNet</b>	Ghana Community Network
<b>GGDA</b>	Gauteng Growth and Development Agency
<b>ICP</b>	International Cooperating Partners
<b>ICT</b>	Information and Communications Technology
<b>IDC</b>	Industrial Development Corporation
<b>IPA</b>	Trade and Investment Promotion Agency
<b>IPEX</b>	Export Promotion Institute
<b>IPP</b>	Independent Power Producers
<b>JBC</b>	Joint Border Committee

<b>LTE</b>	Leaders in Trade Exhibitions
<b>LNDC</b>	Lesotho National Development Corporation
<b>MBS</b>	Malawi Bureau of Standards
<b>MCCI</b>	Malawi Chamber of Commerce and Industry
<b>MCNet</b>	Mozambique Community Network
<b>MIT</b>	Ministry of Industry and Trade
<b>MMEWD</b>	Ministry of Mines, Energy and Water Development (Zambia)
<b>MOF</b>	Ministry of Finance
<b>MRA</b>	Malawi Revenue Authority
<b>MREs</b>	Monitoring Reporting and Evaluating Systems
<b>MSME</b>	Medium Small and Micro Enterprises
<b>MT</b>	Metric Tons
<b>MTI</b>	Ministry of Trade and Industry
<b>NCE</b>	Namibia Customs and Excise
<b>NEP</b>	National Enquiry Point
<b>NIST</b>	National Institute of Standards and Technology (US)
<b>NSW</b>	National Single Window
<b>PMU</b>	Project Management Unit
<b>PPP</b>	Public-Private Partnership
<b>PS</b>	Permanent Secretary
<b>PTF</b>	Partnership for Trade Facilitation
<b>RE</b>	Renewable Energy
<b>REA</b>	Rural Electrification Authority
<b>REFIT</b>	Renewable Energy Feed-in Tariffs
<b>RERA</b>	Regional Electricity Regulators Association of Southern Africa
<b>SACAU</b>	Southern African Confederation of Agricultural Unions
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SADCSTAN</b>	SADC Cooperation in Standardization
<b>SAGL</b>	Southern African Grain Laboratory
<b>SANSOR</b>	South African National Seed Organization
<b>SAPP</b>	South African Power Pool
<b>SERA</b>	Swaziland Energy Regulatory Authority
<b>SESA</b>	Sustainable Energy Services for Africa
<b>SI</b>	Statutory Instrument
<b>SIPA</b>	Swaziland Investment Promotion Authority
<b>SME</b>	Small and Medium Enterprise
<b>SPG</b>	Strategic Partnership Grant
<b>SPS</b>	Sanitary and Phytosanitary
<b>STDF</b>	Standards and Trade Development Facility (WTO)
<b>TBT</b>	Technical Barriers to Trade
<b>TIDCA</b>	Trade, Investment and Cooperation Agreement
<b>TF</b>	Trade Facilitation
<b>TTF</b>	Taiwanese Textiles Federation

<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>USAID</b>	United States Agency for International Development
<b>USG</b>	United States Government
<b>USITC</b>	US International Trade Commission
<b>USTR</b>	United States Trade Representative
<b>WAPP</b>	West African Power Pool
<b>WCO</b>	World Customs Organization
<b>WRS</b>	Warehouse Receipt System
<b>WTO</b>	World Trade Organization
<b>ZABS</b>	Zambia Bureau of Standards
<b>ZRA</b>	Zambia Revenue Authority

# I. INTRODUCTION AND OVERVIEW

The key objective of the USAID-funded Southern Africa Trade Hub (Trade Hub) project is to increase international competitiveness, intra-regional trade and food security in Southern Africa.

The Trade Hub is supported by USAID under Contract No. 674-C-00-10-00075-00, awarded to AECOM International Development with a period of performance from 2010 until 2015. The initiatives of the United States Government that provide context and support for the Trade Hub's activities are:

- African Competiveness and Trade Expansion (ACTE);
- Feed the Future (FtF);
- Clean Energy (CE);
- Partnership for Trade Facilitation (PTF).

In line with these initiatives and the technical direction in Contract Modification No. 8, Section C: Scope of Work of November 20, 2012, the Trade Hub provides needs-driven assistance to the Southern African Development Community (SADC), the Southern African Customs Union (SACU), governments and private sector organizations in eight countries.

With an office in Gaborone, Botswana, an office opening next quarter in Centurion (Pretoria), South Africa and embedded advisors in Malawi and Namibia, the Trade Hub works primarily in Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland and Zambia. Starting in FY2013, and in line with Modification No. 8 of the project contract, the Trade Hub reduced its technical assistance delivery from 13 to five indicative result areas, which are described below:

**IR1.1: Trade Facilitation** aims to improve efficiency in trade administration covering import, export and transit goods procedures and transparency of border administration by promoting and facilitating the adoption of simplified trade processes and modern tools.

**IR1.2: Agricultural Value Chains** focuses on improving storage and structured trade; standards and quality; investment and adoption of modern technologies; and strengthening regional organizations to enhance production and availability of tradable maize, groundnuts and soy to enhance food security.

**IR1.3: Textiles and Apparel** focuses on business linkages between regional and international buyers and African-based garment and textiles manufacturers; and providing technical and advisory support to Botswana and Mozambique to position themselves as attractive and viable investment locations.

**IR1.4: Clean Energy** works in collaboration with the Regional Electricity Regulators Association of Southern Africa (RERA) and country energy regulatory bodies to build capacity to develop and implement policies, regulations and feed-in tariffs that will enable and attract new investments in clean energy generation.

**IR1.5: Enabling Environment** supports measures that improve the business climate, environmental compliance and gender integration as enablers of competitiveness and sustainability.

The Work Plan for FY 2014 continued the technical assistance for initiatives and activities started in FY 2013, in line with funding obligated through Modifications 12 and 13.

## II. HIGHLIGHTS & RESULTS





Trade Facilitation

## **TRADE FACILITATION**

During the year, the Trade Facilitation team held extensive consultations with the Malawian and Namibian governments to agree on a road map, action plans, resources and organizational decisions and structures needed to start implementation of the NSW.

The Trade Facilitation (TF) team continued research this year to better understand the factors and drivers that enable trade across borders, and is ensuring that the modernization tools the Trade Hub is promoting and facilitating, address the following elements:

- Efficiency of customs administration;
- Efficiency of import-export procedures;
- Transparency of border administration;
- Availability and use of ICT;
- Improved regulatory environment.

## **NATIONAL SINGLE WINDOW**

The Trade Hub set the goal of facilitating the adoption of a National Single Window (NSW) as a trade modernization program in Malawi and Namibia. A number of milestones were set to measure and track progress towards the key results.

### **MALAWI NSW**

The Trade Hub reached agreement with the Ministry of Industry and Trade (MIT) to embed a technical advisor, Stuart Millen, in the Malawi Revenue Authority (MRA), as the lead agency for NSW. The Malawian Government issued a work permit for the advisor and visas for his family and the MRA has provided office accommodation. Technical assistance terms of reference and a work plan have been negotiated, and the advisor will work closely with the MRA to establish a multi-ministry project management unit (PMU) and help the Steering and Technical Committees become functional. Initial efforts will focus on developing and implementing a communications strategy and consultation plan to engage the private sector and other government agencies. The first phase of the NSW program will concentrate on customs reform and modernization to create a customs single window environment. Mr. Millen mobilized to Blantyre in September 2014. Since his arrival, the NSW Advisor has been actively coordinating beneficiary officials from the MRA and the MIT in support of the Trade Hub's communication advisor to schedule public awareness events planned for November 2014.

In September, Trade Hub hired a short term NSW communications advisor to design and develop a Communications Strategy and Plan that will support Malawi's public awareness campaign for the NSW during the "Induction Phase." Key stakeholders in the public and private sector in both Lilongwe and Blantyre were engaged and consulted on their needs and expectations in moving forward with a NSW. The draft communications strategy and plan has been completed and is currently under Trade Hub review prior to distribution to the Malawian government.



## **NAMIBIA NSW**

The Trade Hub team and the Namibian government agreed to terms of reference and a work plan and the advisor and his family received a work permit and visas. The advisor relocated to Windhoek in August 2014. The advisor will work with Namibian Customs and Excise (NCE) and the National Single Window PMU in Ministry of Trade and Industry on the National Single Window and the Namibia Trade Information Portal.

In August, Trade Hub hired a short term NSW Communications advisor to design and develop a communications strategy and plan that will support Namibia's public awareness campaign for the NSW during the "Induction Phase." Key stakeholders in the public and private sector in Windhoek and Walvis Bay were engaged and consulted on their needs and expectations moving forward with a NSW. The draft communications strategy and plan has been completed and is currently under Trade Hub review prior to distribution to the Namibian government.

## **CUSTOMS CONNECTIVITY PILOT PROJECT (CCPP)**

Even though the Customs Connectivity Pilot Project reached an advanced stage in early 2013, it could not be completed as originally envisaged and planned. Without the missing elements of the Source Code, the vendor was not able complete the project. The vendor informed Trade Hub in late April 2014 that it was withdrawing from the project and was not willing to negotiate a modified contract to complete the work. The vendor's technical lead for the project has also left and is no longer available to do the work. More than three years after the inception of the project, technological changes have also overtaken the original plan. For example, Namibia is implementing ASYCUDA World (AW), while Botswana remains on ASYCUDA++ requiring two solutions to connect the two systems. As a result, Trade Hub was forced to terminate the Connectivity Project in early May 2014.

In 2013, realizing that the Source Code may not be provided by the United Nations Conference on Trade and Development (UNCTAD), Trade Hub developed a Plan B that would enable the completion of the pilot by introducing an extra step for downloading the information from the Cloud and uploading it into ASYCUDA++. It was decided to not follow this route for the following reasons:

- Considerable time and cost (up to a year and at great expense) with no guarantee of success or utility. Any new service provider would have to backtrack and assess how much work remained to be completed, which would require substantial investment in an experimental program;
- Plan B is not a technically robust approach, requiring end-user intervention to import data into ASYCUDA++, and would become redundant soon as most customs administrations plan to migrate to AW shortly;
- It remained a major risk to press forward with the CCPP without finding a way to work closely with UNCTAD, which supplies AW to most customs administrations in the region (Botswana, Lesotho, Malawi, Namibia, Zambia, and Zimbabwe are all either already using, or in the process of migrating to AW);
- It was not clear if and how the Trade Hub would be able to roll out the connectivity solution to other countries in the region, without the cooperation of both UNCTAD and the South African Revenue Service (SARS), bearing in mind that most of the countries conduct trade with and through South Africa.

Customs Connectivity remains a critical tool in Trade Facilitation and the knowledge and experience gained over the last three years will be useful in the development of future connectivity systems. In particular, the choice of a cloud-computing platform has clear advantages over point-to-point systems such as RADDEX V1 and previous UNCTAD endeavors. The hub and spoke architecture of the cloud-based solution offers

flexibility and ease of expansion: a customs administration needs only maintain a single link to the Cloud to automatically exchange data with any other connected administration, while point-to-point architecture requires that administrations maintain a link for each administration involved in data exchange. In addition, the Cloud platform transfers the burden of data security and costly hardware maintenance and expansion to the Cloud service provider, reducing the resource demands on the administration.

## **CUSTOMS MODERNIZATION**

### **BOTSWANA**

The Trade Hub obtained USAID approval to proceed with a customs modernization program with the Botswana Unified Revenue Service (BURS) that will lay the groundwork for implementing a NSW. The Trade Hub embedded a customs modernization advisor with BURS in September 2014. The Botswanan Parliament passed the Electronic Communications and Transactions Bill and the Privacy and Data Protection Bill in May 2014 and submitted both to the President of Botswana for signature. These two statutes will provide the legislative authority for Botswana to move forward on their NSW vision. The Trade Hub and USAID have planned technical assistance for FY 2015, to lay the ground for further productive engagement going forward.

In September, the Trade Hub mobilized a legal review advisor to work with BURS to facilitate drafting of a new Customs Act for Botswana. The advisor has been actively making desk work preparations and will commence legislative working group meetings.

### **NAMIBIA TRADE INFORMATION PORTAL**

Work on the Namibia Trade Information Portal is well underway. During Quarter 4, the Trade Hub supported Namibia Customs and Excise (NCE) to garner greater support from other government agencies to provide necessary documentation for the Trade Repository. The primary trade content catalogue is now almost complete, providing a detailed description of all the trade documentation and information to be collated for uploading to the Trade Information Portal.

In June 2014, following five months of design and specification development with the Trade Hub, NCE approved the technical specifications for the Trade Information Portal. Technical development of the Portal will now proceed and is expected to be completed by the end of 2014.

In July 2014, iWits started development of the Namibia Trade Portal website with funding from the Trade Hub. Development is incremental, with a new part of the website delivered every 2-3 weeks for testing; this helps minimize the resources required for testing and provides NCE with a hands on demonstration of development progress.

In August, the Trade Hub engaged 3CE Technologies to provide a Harmonized System (HS) classification tool and customs duty calculator components to be integrated with the website. Also in August, the Trade Hub engaged the NCE Classification and Valuation department to assist in classifying the trade documentation gathered from numerous ministries during Q2 & Q3 2014.

In September 2014 the TF team delivered an interim demonstration to the Customs Commissioner and senior managers, which was very well received. Development is on target for completion in December 2014 and the Commissioner has indicated February 2015 for the official launch, to allow sufficient time for testing and preparation of content.

## **SADC COMPREHENSIVE TRADE FACILITATION PROGRAM**

In July 2014, USAID requested that the Trade Hub engage SADC to develop a Comprehensive Trade Facilitation Program (CTFP) and provide technical assistance. The Trade Hub met with SADC to finalize the SOW for the CTFP and recruited consultants to perform the work by the beginning of 2015.

SADC's interest is to have a practical program that it can use in working with its members to coordinate their needs and mobilize technical assistance. As such, the SOWs will be modified to focus the CTFP on helping members meet their obligations under the Agreement on Trade Facilitation (TFA) and the Revised Kyoto Protocol. The CTFP focuses on:

- Analyzing and collating member country needs and priorities;
- Identifying areas of technical assistance need;
- Identifying areas of financial assistance need;
- Identifying appropriate sources of technical assistance and finance;
- Laying out feasible approaches for SADC to facilitate and coordinate assistance to members;
- Monitoring and evaluating the progress of SADC members with the implementation of the reform efforts.

SADC endorsed the idea of a workshop to present the CTFP to its members and donors.

## **TRADE HUB VISIT TO WCO IN BRUSSELS TO ATTEND THE TFA WORKING GROUP**

On September 28th, the Director of the Trade Hub's TF team accompanied four representatives of the customs administrations of Malawi, Botswana, Namibia and SADC to Brussels, Belgium to attend the Second WTO Trade Facilitation Agreement (TFA) Working Group meeting.



**Mr. Brian Glancy (Trade Hub), Mr. Philiso Valashia (Commissioner BURS), Mr. Bevan Simataa (Commissioner Namibia Customs and Excise), Mr. Shadric Namalomba (Commissioner Malawi Revenue Authority) and Mr. Willie Shumba (SADC) meet with Mr. Kunio Mikuriya (third from left), the Secretary General of the WCO.**

The meeting was held to update World Customs Organization (WCO) members on the status of TFA negotiations, to discuss the WCO Mercator Program for TFA technical assistance and to plot future steps for WCO members moving forward with the modernization programs required to comply with the TFA. In addition, Trade Hub made plans for the delegation to meet with various divisions of the WCO to allow for briefings and presentations on the design and development of WCO programs and services for its members.

These briefings focused primarily on risk management strategy, the WCO Cargo Targeting System, WCO Capacity Building for Customs and WCO Publications. Botswana, Malawi and Namibia are all WCO members.

## **ISSUES, CHALLENGES AND LESSONS**

### **CUSTOMS CONNECTIVITY PILOT PROJECT**

A key lesson learned from this activity is the importance of early engagement with technical partners and major stakeholders. In hindsight, a deficiency in the technical approach was not finding a way to work hand in hand with the source code owner. The assumption by the vendor that it could reverse engineer ASYCUDA++ turned out to be wrong. Securing the involvement of UNCTAD as a technical partner at the outset would have reduced the level of effort required by the software vendor to reverse engineer the ASYCUDA++ system, reducing project complexity and accelerating the development process. Another lesson learned was the importance of managing stakeholder expectations of pilot programs such as this, as pilot projects are by definition experimental and not designed to generate significant results.

### **NATIONAL SINGLE WINDOW**

While the reasons were different in each country, Trade Hub faced challenges in quickly embedding advisors in Malawi and Namibia. National elections delayed the process in Malawi, while in Namibia there were delays coordinating the arrangements between the Ministry of Finance and the Ministry of Trade and Industry. As a result of the delays, there has been less progress towards developing a NSW “champion” to spearhead inter-agency cooperation, in both Namibia and Malawi, than the team had thought possible following the issuance of cabinet-level memoranda. Additionally, the delays in embedding advisors and developing ministry “champions” resulted in less progress than expected in developing a National Steering Committee, PMU and Technical Committee in both Namibia and Malawi.

With its current strategy and approach, which includes the following elements, the Trade Hub is well-positioned to make more progress:

- Aligning technical assistance with the government’s operational environment and processes;
- Facilitating meaningful dialogue and consultation between the government and private sector, and promoting participation by traders in reform processes;
- Providing technical assistance to improve agency management skills and capacity in project management, change management and human resources management.

The Trade Hub’s objective is to create a NSW environment that enhances private sector acceptance and support, allowing the NSW to develop with confidence it will succeed. As in other countries, the Trade Hub has determined that the best approach is to encourage and support customs modernization and the creation of a customs clearance single window as “phase one” of establishing a NSW. Customs organizations generally have greater autonomy, resources and advanced systems to make decisions and investments and to lead the way towards a national single window. This approach needs ongoing support and technical direction, and for that reason the Trade Hub will embed a staff member in each country full time for the duration of the project. Establishing a NSW is a complex and lengthy process and costly automation project. Working with other donors and SADC to support the Trade Hub’s mandate goes a long way to ensuring success.

## **MILESTONES AND RESULTS PLANNED**

### **NATIONAL SINGLE WINDOW**

- Trade Hub STTA advisors deliver Project Management and Change Management training;
- Communications strategies and plans implemented for Namibia and Malawi;
- NSW Champion, Steering and Technical Committees and PMU established in Malawi and Namibia;
- Stakeholder consultation/public awareness launch events underway in Malawi and Namibia;
- Readiness Assessments underway in Malawi and Namibia.

#### **CUSTOMS MODERNIZATION FOR BOTSWANA**

- Botswana border crossings visits and process analysis underway;
- Customs Modernization work plan interventions agreed and scheduled;
- BURS Training organization/capacity assessed and recommendations issued;
- Customs Law text and amendments first reading completed.

#### **SADC COMPREHENSIVE TRADE FACILITATION PROGRAMME (CTFP)**

- CTFP development consultancy underway;
- SADC/USAID/WTO Trade Facilitation Conference organized.

#### **TRADE REPOSITORY**

- Trade information and documentation received from all stakeholder Other Government Agencies;
- Development and testing underway.





# Agricultural Value Chains

[www.satradehub.org](http://www.satradehub.org)



## AGRICULTURAL VALUE CHAINS

In FY14, the Agricultural Value Chains component focused on the following four primary result areas across the targeted value chains of maize, groundnuts and soybeans:

- Improved storage and structured trade;
- Improved standards and quality;
- Increased investment and technology transfer;
- Strengthened regional organizations.

Highlights from FY2014 include:

- 960 farmers received soy extension training as well as 75 metric tons of certified soy seed and 75 metric tons of fertilizer from a local commercial company as part of a contract growing agreement;
- Farmers received 15.8 metric tons of certified groundnut seed and training on groundnut inputs and planting by a local commercial company as part of a contract growing agreement;
- 416 farmers received improved seed for groundnuts under the Jungle Beat/SAGM Strategic Partnership Grant, while nine Peacock Enterprises staff and contract farmers received training for the maintenance of seed quality and prolonged seed shelf life;
- 115 people representing 49 organizations responsible for 85,000 tons of privately owned storage capacity received training in grain grading and storage management;
- 123 participants representing 47 groundnut processors and local organizations received training on scalable (commercial/household) aflatoxin mitigation technology;
- The Trade Hub conducted a review of aflatoxin mitigation training in Chipata, Zambia involving 36 participants from 12 partner organizations to assess the knowledge and skills that participants acquired and how they have applied what they learned.
  - Participants learned how to produce crops with low or no levels of aflatoxin and;
  - COMACO was the major processor company that participated in the training. The company has managed to reduce aflatoxin levels in the peanut butter they produce from 16 ppb to 6 ppb, below the official minimum acceptable aflatoxin level for Zambia of 10 ppb (South Africa has the same standard).
- The Trade Hub brought five new FY2014 Strategic Partnership Grants to approval status in Quarter 4 and developed seven additional SPGs for FY2015 (all planned to reach implementation status by November 2014);
- 60 participants attended the Agricultural Storage Investment Fund Conference to raise awareness and determine the working operations of the fund, which is designed to increase rural agricultural storage in Malawi and Zambia;
- 33 seed industry representatives from small, medium and large seed companies were trained in the use of the newly established South African National Seed Organization (SANSOR) Seed Market Intelligence Platform.



**Aflatoxin Training, Maputo, Mozambique.**

## IMPROVED STORAGE AND STRUCTURED TRADE

Key activities undertaken and results achieved by the Trade Hub in improved storage and structured trade in FY 2014 include the following:

### WAREHOUSE RECEIPT SYSTEM (WRS) MOZAMBIQUE UNDER DEVELOPMENT

A WRS Mozambique study/risk assessment commenced, and preliminary results are providing valuable information to ETG Mozambique and other stakeholders with regards to WRS development;

ETG Mozambique has confirmed its interest in operating a WRS in Mozambique (a first in the country), and the agriculture team with ETG developed and secured USAID approval for a full SPG proposal. Grant implementation will commence in FY 2015, and ETG will operate WRS in four locations in the country, two rural locations and two at border posts.



**ASIF Conference, Johannesburg, South Africa.**

In support of its activities, a Warehouse Bond Insurance Assessment for Malawi and Zambia was commissioned as one of the key conditions for increased financing of WRS by banks. In addition, the Trade Hub engaged a consult to conduct a study reviewing interest for warehouse storage requirements in Malawi to promote private sector investment in grain and oil-seed storage. The study showed strong interest (demonstrated by submission of EOIs) from investors (development banks, financing companies, etc.) to invest in such a fund amounting to over USD 35 million in potential funding. The study indicated that the demand for such finance from major storage operators amounts to approximately USD 40 million. The study also reviewed interest for warehouse/storage requirements in Zambia and revealed a preliminary appetite from storage operators amounting to USD 70 million.

### AGRICULTURAL STORAGE INVESTMENT FUND (ASIF)

Based on the Warehouse Bond Insurance Assessment cited above, the Trade Hub helped organize an Agricultural Storage Investment Fund (ASIF) conference in Johannesburg on September 4, 2014. The conference was extremely well attended by storage operators, investors, service providers and development organizations from Zambia, Malawi, Tanzania and South Africa. The one-day investor conference enabled financiers and users of the storage fund to provide valuable information on how an ASIF can be established and



**Students receiving Grain Management Training in soy grading techniques in Zambia, March 2014.**

managed. Based on the outcome of the ASIF conference, the Trade Hub will focus on “taking ASIF to market.”

### **GRAIN STORAGE MANAGEMENT IMPROVED**

The Trade Hub organized grain management training courses and engaged consultants to deliver trainings in Zambia and Malawi (two courses). Grain storage owners, feed millers, grain traders and farmer association representatives received certificates in grain management/grain grading/handling & storage management at the conclusion of the training.

The Trade Hub also awarded a SPG grant to Ybema Grain Services this year to provide sustainable commercial grain management training services within the FtF focus countries.

### **IMPROVED STANDARDS AND QUALITY**

#### **AFLATOXIN REMOVAL IN GROUNDNUTS TRAINING**

The Trade Hub conducted three training workshops in FY 2014, two in Mozambique in partnership with USAID/Mozambique’s Agrifuturo project and one in Malawi. The training assisted the groundnut industry to comply with the standard limit of 4 ppb for aflatoxin in groundnuts for export and food processing. 85 nutritionists, processors and farmer leaders completed the training. The trainings included specific gender mainstreaming aspects and highlighted gender constraints in the groundnuts value chain and demonstrated how gender inequalities are contributing to high aflatoxin levels in groundnuts sold to processors.

The Trade Hub plans to promote in-shell groundnut trading in FY 2015 through trainings. The team also awarded a SPG to Deltamune-Vetlab Zambia, which will enable Vetlab Zambia to provide accredited lab services, making it the first lab in SADC outside South Africa to include accredited aflatoxin services.

## INCREASED INVESTMENT AND TECHNOLOGY TRANSFER

The Trade Hub focused on increased investments and technology transfers through the development of the SPG program.

### IMPLEMENTATION OF SPGS AWARDED DURING 2013

- **CASS/Jungle Beat Zambia:** grant completed and closed;
- **Capstone/Peacock Malawi:** seed trials in Mozambique rescheduled;
- **SAGM/Jungle Beat Zambia:** final milestone achieved and grant close out process commenced;
- **NWK/NWK Zambia:** final milestone achieved and grant close out process commenced;
- **AFGRI/AFGRI Zambia:** grant completed and closed;
- **Spintelligent/ZNFU Zambia:** grant completed and closed.

### SPGS AWARDED IN FY 2014

- **PMD Packaging/Valid Nutrition Malawi (VNM)** grant awarded. VNM is now developing a new product, RUCF (Ready to Use Complementary Food), which targets children under five and pregnant women. The grant will also enable Malawian farmers to supply/market aflatoxin-compliant groundnuts, which are a major ingredient in RUCF. PMD packaging is currently producing the specialized packaging line for commissioning in the first quarter of FY 2015.
- **Ybema Grain Services** grant awarded. The grant will enable the company to provide sustainable/commercial grain management training services within the FtF focus countries, leading to improved grain storage and reduced post-harvest losses. This provides a sustainable way for the Trade Hub to phase out its direct support of grain storage management training.
- **CASS/Agseed** SPG grant is at the awarding stage. The CASS/Agseed SPG focuses on groundnut and soya bean certified seed development within Mozambique. This will address one of the major impediments for development of these FtF target crops in Mozambique.
- **Deltamune/Vetlab** grant awarded. This SPG will provide accredited grain and oil seed laboratory services (including aflatoxin testing) in Zambia, the first in SADC outside South Africa.
- **ETG Mozambique** grant is will be submitted to USAID for approval in early FY 2015. The SPG will enable ETG to establish WRS (including third party storage) in four locations within Mozambique. This will be the first WRS development in the country.



**The Trade Hub sponsored technical workshops that offered case studies, business tips and best practices for soil quality, mechanization, increased yields and sustainability.**

### SPG IN PIPELINE FOR FY 2015

25 concept notes (CNs) were received by the closing date of July 17, 2014. The CNs were evaluated by the Trade Hub Grants Evaluation Committee (GEC). 11 CNs were selected for presentation/review by USAID's



agricultural technical staff. During a joint assessment exercise, eight CNs were selected for full proposal development. Full proposals will be submitted for USAID approval during early October 2014 (Q1 FY 2015). Following withdrawal by one of the applicants, the Trade Hub is finalizing grant proposals for the following seven SPGs:

- Ammtech/COMACO; Groundnut processing development in Zambia;
- Zhauns/Lumuno Organic Farms; Vegetable processing/outgrower development in Zambia;
- Boerdery/NASFAM; Groundnut Value Chain development in Malawi;
- Vermeulen Aandele Trust; Soya product upgrading & marketing development in Malawi;
- Solidaridad; Maize and groundnut value chain development (including outgrower linkages) within Mozambique;
- Cargill; Maize and soya marketing development in Mozambique;
- Intertek; Laboratory development in Mozambique.

**TABLE 3: Strategic Partnership Grants Pipeline**

Grantee	Committed	Country	Amount	Description
<b>Obligated</b>				
CASS	12/1/2012	Zambia	100,000	Provision of groundnut sorting / grading equipment / export
CAPSTONE	9/27/2012	Malawi	100,000	Introduction of new hybrid maize variety to Malawi
AFGRI	12/7/2012	Zambia	100,000	Installation and operation of 15,000 MT of grain storage
SAGM	12/1/2012	Zambia	100,000	Groundnut seed provision and outgrowing / export
NWK	5/22/2013	Zambia	100,000	Soy seed provision and outgrowing
SPINTELLIGENT	11/21/2013	Zambia	100,000	Agritech Expo
PMG	06/01/2014	Malawi	100,000	Production of Ready to Use Complimentary Food (RUCF)
Ybema	08/01/2014	Regional	100,000	Regional Mobile Grain Training Service
Cass/AG Seeds	10/01/2014	Mozambique	100,000	Agro-seed multiplication and Processing in Mozambique
Deltamune		Zambia	90, 000	Establishment of ISO 17025 Accredited laboratory Services in Zambia
ETG		Mozambique	100,000	Trade, Storage and Processing of Agricultural Commodities in Mozambique
<b>SPG Pipeline Development Concepts Approved Implementation FY2015</b>				
Cargill	Concept Approved	Mozambique	100,000	Agriculture Commodities Trading and Storage
H A Amman T/A Ammtech	Concept Approved	Zambia	60,000	Manufacture of Food Processing and Packing Machinery
Zhauns Business Opportunity	Concept Approved	Zambia	100,00	Processing of Hot Chili Sauce through Outgrower Scheme of Chili, Garlic and Onion
Intertek Testing Services	Concept Approved	Mozambique	100,000	Agriculture Laboratory Services
MH Boerdery Konsultante	Concept Approved	Malawi	100,000	Improvement of Small Holder Groundnut Marketability through Multiple Value Chains Intervention
Solidaridad	Concept Approved	Mozambique	100,000	Improvement of soil fertility and production yield for small holder farmers in Mozambique
Vermeulen Aandele	Concept	Malawi	100,000	Import and Export of Staple Commodities from and within

Grantee	Committed	Country	Amount	Description
Trust	Approved			Southern Africa

## STRENGTHENED REGIONAL ORGANIZATIONS

### SOUTH AFRICA NATIONAL SEED ORGANIZATION (SANSOR)

A total of 33 seed industry representatives from small, medium and large seed companies were trained in the use of the newly established SANSOR Seed Market Intelligence Platform.

The regional (Malawi, Mozambique and Zambia) roll-out of the SANSOR market intelligence platform has now been planned (based on an intensive consultation process, including access to a demo website) for Q1 FY 2015.

### SOUTHERN AFRICA CONFEDERATION OF AGRICULTURAL UNIONS (SACAU)

The Trade Hub presented a draft report for a regional agricultural market and market intelligence plan to SACAU. The SACAU market system will focus on regional market information related to the most important commodities and thematic topics of interest to the agricultural sector.

### SADC SPS REGIONAL STRATEGY DEVELOPMENT

Based on a request from the SADC Secretariat, Trade Hub is providing technical assistance for the development of a Regional Sanitary and Phytosanitary strategy. The SPS strategy is planned to be validated in Q1 2015 in the SADC meeting in Durban.

### SADC SEED CENTRE

The Trade Hub has provided technical assistance to support the development of the SADC Seed Centre Web-based seed catalogue. The new website and Seed Centre database have now been designed. The launch of the SADC seed catalogue is planned for late 2014.

## MILESTONES AND RESULTS PLANNED

### IMPROVED STORAGE AND STRUCTURED TRADE

- SPG for Ybema Grain Services training within FtF countries launched;
- ASIF Malawi (and Zambia) storage investment fund “taken to market”;
- Warehouse bond insurance assessment for Malawi and Zambia undertaken, Mozambique assessed for ATI membership;
- WRS risk assessment for Mozambique completed;
- ETG Mozambique SPG implementation leading to WRS and third party storage in four locations in Mozambique launched.

### IMPROVED STANDARDS AND QUALITY

- Deltamune/Vetlab SPG implemented, leading to accredited lab services in Zambia;
- Malawi groundnut in-shell marketing study implemented, training program developed and implemented;
- Assessment of the impact of aflatoxin mitigation trainings undertaken in FtF countries;
- Intertek SPG implementation commenced, leading to laboratory services development in Mozambique;
- SAGL laboratory training program for FtF countries developed.

### INCREASED INVESTMENT AND TECHNOLOGY TRANSFER

- Close out Capstone/Peacock Malawi; SAGM/Jungle Beat Zambia; NWK/NWK Zambia;

- Implementation of SPGs developed/approved during FY 2014:
  - PMD/VNM Malawi;
  - Ybema Grain Services;
  - Deltamune/Vetlab;
  - CASS/Agseed;
  - ETG Mozambique.
- Grant approval and commencement of implementation of seven pipeline SPGs:
  - Ammtech/COMACO, Zambia;
  - Zhauns/Lumuno Organic Farms, Zambia;
  - Boedery/NASFAM, Malawi;
  - Vermeulen Aandele, Malawi;
  - Solidaridad, Mozambique;
  - Cargill, Mozambique;
  - Intertek, Mozambique.

#### **STRENGTHENED REGIONAL ORGANIZATIONS**

- Support for SADC SPS regional strategy development provided;
- Regional market information system organized through SACAU;
- Support to SADC Seed Centre Web-based seed catalogue development training and launch completed;
- Training for seed trade market intelligence platform through SANSOR;
- Regional roll out of seed trade information portal through SANSOR.





# Textiles & Apparel



## TEXTILES AND APPAREL

The Trade Hub's activities and interventions in the textiles and apparel sector contributed to the project's overarching objective of increasing international competitiveness and intra-regional trade in Southern Africa. Specific goals for work in the sector included:

- To increase the amount of regional and international trade in textiles and apparel products;
- To expand the level of awareness among buyers and investors of underutilized capacity at regional factories;
- To increase awareness of policy, regulatory, infrastructural and business climate improvements that will enable growth in textiles and apparel (and other types of light manufacturing) in the region.

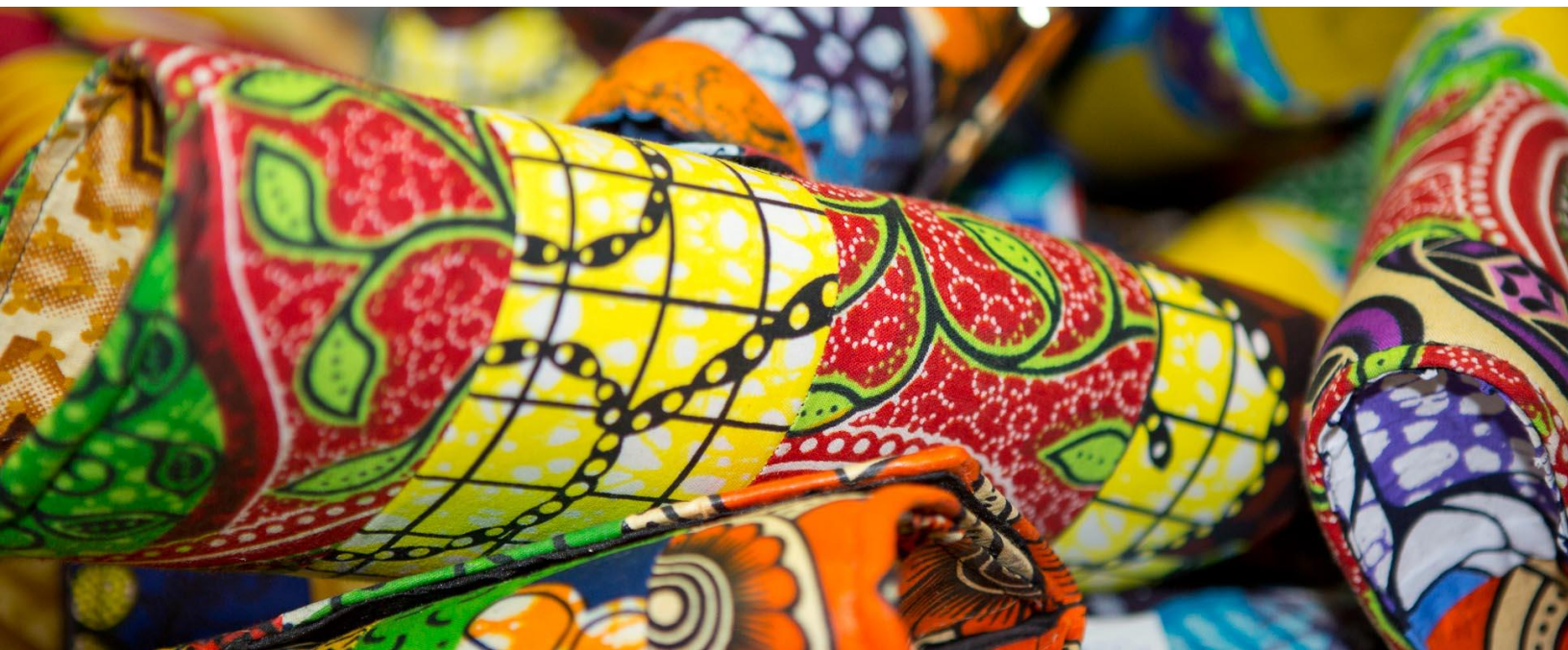
### SOURCE AFRICA 2014

Source Africa 2014 ([www.sourceafrica.co.za](http://www.sourceafrica.co.za)) took place June 18-20, 2014 at the Cape Town International Convention Center, Cape Town, South Africa.

The Trade Hub supported Leaders in Trade Exhibitions (LTE), a South African event management company specializing in textiles and apparel shows, to manage the event in collaboration with the American Apparel and Footwear Association (AAFA) and the African Cotton & Textiles Industries Federation (ACTIF). Key apparel companies present included Li Fung, Vanity Fair, PVH, Trimark Sportswear Group and Ash City. At the show, the dates for Source Africa 2015 were officially announced as June 3-5, 2015. The exhibition dates have since been rescheduled to June 10-11, 2015.

Source Africa's four business seminars focused on sourcing requirements for the U.S. market, navigating policies for African trade and intra-African trade, the African Growth and Opportunity Act (AGOA) and other free market policies and agreements affecting African trade and the challenges that African countries are addressing in order to attract foreign direct investment.

The final Source Africa seminar involved a discussion of a study commissioned by the East Africa Trade Hub of the development of the cotton textile value chain. Other Source Africa 2014 seminars included a number of high caliber speakers in the industry from Africa and the U.S. The keynote speaker for the plenary session was U.S. Trade Representative for Textiles & Apparel, Ms. Gail Strickler. The plenary session also received contributions from the Chief Director for Textiles, Clothing & Footwear, Abisha Tembo.



Erica Barks-Ruggles, the U.S. Consul General in Cape Town, opened the plenary and introduced Ms. Strickler, whose keynote address emphasized the tariff savings a U.S. importer can realize by sourcing from Africa. Mr. Tembo discussed the South African government's industrial policy action plan for regional development and innovative ways to increase the region's share of the textiles and apparel market. Speakers conducted radio interviews with SABC and other outlets after the session.



**USTR Gail Strickler at Source Africa 2014 Opening Plenary/Policy Session.**

Country pavilions at Source Africa 2014 from the region included Botswana, Lesotho, South Africa, Swaziland and Zimbabwe. South Africa's pavilions included representation from Trade and Investment KwaZulu-Natal, the Gauteng Growth and Development Agency, and the South African Footwear and Leather Export Council. Other countries with pavilions included Cote d'Ivoire, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Nigeria and Tanzania. Egypt and Swaziland participated at Source Africa for the first time.

Participant reviews of the venue and the organization ranged from good to excellent, and participants commented in surveys that the venue was both appropriate and accessible with room for improvement as the continues to grow. Exhibitors felt that the exhibition could have attracted more fabric suppliers, footwear suppliers and dye-houses.

## **REGIONAL PROMOTION FOR SOURCE AFRICA 2014**

Source Africa 2014 was the culmination of considerable fieldwork by the Textiles and Apparel team, including the following:

### **LESOTHO VISIT**

The Trade Hub visited Lesotho to profile textile and garment manufacturers, in collaboration with the Lesotho National Development Corporation (LNDC). The majority of business in Lesotho is handled by agents based in Durban who provide sourcing and financing services to the industry.

### **BOTSWANA FACTORY VISITS**

The Trade Hub visited knit factories (Daye Wan, Everybody Knitting, and Fascinating Botswana) and Cut, Make and Trim factories (Marine Garments and Western Apparel) to conduct the industry survey. The factories are ready to compete in the South African market. Fascinating Botswana is in the process of setting up a new plant in Bulawayo, Zimbabwe as part of their expansion. This is reflective of a change in sourcing strategy for South African retailers; they are returning to the region with orders and are open to partnerships.

### **CANADIAN IMPORTER VISITS BOTSWANA AND LESOTHO GARMENT FACTORIES**

The Trade Hub arranged a visit by the Canadian Trimark Sportswear Group to Carapparel, a Botswana garment exporter. Trimark Sportswear, a \$1 billion revenue group, has a \$200 million apparel division and is currently sourcing from China, Cambodia, and Bangladesh as well as from one factory in Lesotho. However, Trimark is currently looking to capitalize on opportunities created by AGOA by expanding its sourcing from Africa for products to be sold in the U.S. market. The company is interested in locating information on regional factories through a portal similar to Tradegood and ImportGenius and working with regional agents

familiar with the industry. Trimark also visited the Lesotho factories of New-Wide and Sun Textiles prior to Source Africa 2014, and they visited the Hippo Knitting factory after the event.

### **SOUTH AFRICA VISIT – KWA-ZULU NATAL AND GAUTENG**

The Trade Hub, accompanied by the Lesotho National Development Corporation (LNDC), visited the South African provinces of Kwa-Zulu Natal and Gauteng to profile companies participating in Source Africa and to meet apparel agents and design houses. These apparel agents work as intermediaries between South African retailers and garment manufacturers in the region by developing the product with buyers, sourcing the materials, providing technical specifications and financing work in process for garment manufacturers. Agents have changed their sourcing strategy from China to a focus on South Africa and the region by opening their own facilities and sourcing locally. In three years' time, they expect to source 80% of their business locally due to the South African Rand exchange rate and South African retailers' demand to source locally and regionally. Agents are willing to partner with local investors to expand sewing operations and create jobs for African communities. Challenges for some factories include textile availability, access to finance, and access to markets and labor.

### **MOZAMBIQUE VISIT**

The Trade Hub presented at the Mozambique Cotton & Textile Investment Conference in Maputo in May 2014, which was organized by the Mozambique Cotton Institute and the National Directorate of Industry under their respective ministries. Investors in attendance included Marubeni Corporation (Japan), which is considering setting up a textile mill in Mozambique; DN Associate Lda (India), which is involved in industrial park development in Nacala; and Nova Texmoque (METL- Tanzania), which is already running a dyeing and printing facility in Nampula City and is looking to establish a completely integrated operation, from ginning to spinning and weaving. The Mozambican government has identified a number of projects in medical cotton pads, artisanal textiles and textile parks in the Nacala and Beira Corridors covering the entire value chain.

### **SOURCE AFRICA PROMOTED IN ASIA**

The Trade Hub made presentations in Hong Kong and Taiwan in February 2014, collaborating with the American Chamber of Commerce in Hong Kong and the Taiwanese Textiles Federation (TTF) in Taiwan, to promote Source Africa. Much of sub-Saharan Africa's apparel export production is managed through Asian holding companies, agents and merchandising operations. The Hong Kong symposium on Source Africa was attended by 38 participants, including sourcing agents from Avery Dennison Hong Kong B V; James Mintz Group, Inc; KGS Sourcing Limited; Kiabi International Supply Services Ltd; Li & Fung Group; Ralph Lauren Asia Pacific Limited; Target Sourcing Services Hong Kong Ltd; the Gymboree Corporation; and VF Asia Ltd. Topics of discussion included the Third Country Fabric provision, factory compliance, the availability of training institutions and development of port facilities. As a result of the symposium, Kiabi International Supply Services Ltd, Core Solutions, Li & Fung, KGS Sourcing, and Plus Glenn Hershey committed to attending the June Source Africa event in Capetown. In Taiwan, the Trade Hub met with and presented to sourcing agents at a workshop organized by TTF.

### **REGIONAL VISIT BY INTERNATIONAL TEXTILE/APPAREL BUYERS**

Select international buyers who attended Source Africa 2014 capitalized on their presence in the region to visit suppliers in Lesotho to obtain firsthand, on-the-ground understanding of factory capabilities, production and quality procedures. The buyers, who represent fast-growing companies specializing in denim and knits, visited Lesotho factories in coordination with the LNDC. American company Jusffab visited five Lesotho factories immediately after the show, while Trimark, a Canadian firm with growing U.S. market share, visited two factories. The buyers toured the facilities and discussed potential business for the U.S. market.

## **BOTSWANA TEXTILE AND CLOTHING ASSOCIATION (BTCA)**

Following advice from the Trade Hub, the Botswana Department of Industrial Affairs facilitated the formation of the BTCA. Its primary mandate is to enhance the textile and clothing industry for growth and sustainability and it was duly registered in Quarter 4. In addition, the Trade Hub also provided input into the design, nature, function and strategic implementation of the anticipated new special support program.

## **MILESTONES AND RESULTS PLANNED**

- Origin Africa supported with the selection of export ready textile and apparel companies from Southern Africa
- Textiles and apparel companies profiled in preparation for the trade mission to the U.S. and MAGIC trade show in Las Vegas
- Plan for Source Africa 2015 finalized with LTE
- Strategic partnership facilitated between South African apparel retailers and regional manufacturers





Clean Energy



## CLEAN ENERGY

The Trade Hub's energy activities and interventions aimed to create a sound policy and regulatory framework for promoting sustainable, low emissions development through a range of clean energy activities, including:

- Developing the Renewable Energy Feed-In Tariff (REFIT) Policy for Zambia;
- Advancing capacity building assistance in Zambia to the Energy Regulation Board (ERB) and Rural Electrification Authority (REA);
- Continuing the development of the Renewal Energy and Independent Power Producer Policy (RE&IPP), including its Strategic Environmental and Social Assessment (SESA) for Swaziland.

## SUPPORTING CLEAN ENERGY IN ZAMBIA

### RENEWABLE ENERGY FEED-IN TARIFF POLICY DEVELOPMENT

As part of the REFIT policy development effort, the Clean Energy (CE) team organized a second training workshop on Solar PV evaluation in Lusaka in November 2013 for the Zambian Ministry of Mines, Energy and Water Development (MMEWD) and other energy sector stakeholders. Representatives from the MMEWD, Office for Promotion of Private Power Investment, REA, ERB and the power utility Zesco Ltd. took part. The workshop covered topics such as:

- Solar PV project tendering process, including the preparation of expressions of interest, requests for proposals and bid evaluations;
- Tariff methodologies;
- Project risk mitigation and contractual frameworks.

The CE team further strengthened the knowledge acquired during the workshop through follow-up sessions with the participating organizations, which focused on specific technical matters relevant to their core functions. This training program assisted Zambia's energy institutions in increasing their capacity to evaluate the tender documents of Independent Power Producers.

In April, 2014 the Trade Hub launched the REFIT Policy development process at an inception meeting held with the MMEWD. The Trade Hub then held two rounds of transparent public policy consultations with a broad range of stakeholders, including the Department of Energy within the MMEWD, ERB, REA and the electric utility Zesco Ltd.



**Trade Hub consultant Grace Zulu presents the local policy overview during the REFIT Policy Awareness and Training Workshop in Zambia on July 10, 2014.**

Following the consultations, the CE team conducted the first training, awareness and consultative workshop on the development of the REFIT Policy in Lusaka, Zambia in July 2014. The workshop gathered more than 50 representatives, a diverse set of stakeholders including government bodies, NGOs, donors and private sector representatives. Over two days, the Trade Hub discussed in depth the details of REFIT development, international experience and the specific circumstances in Zambia. The CE team also presented and discussed a draft policy outline and collected stakeholders' comments for a policy that will facilitate investment in renewable energy generation projects all across the country.

Based on the stakeholders' input, the Trade Hub prepared a first Draft REFIT Policy and submitted it to MMEWD. Following this submission, the Clean Energy team received an invitation for a meeting with the Minister of MMEWD to discuss the development of the REFIT Policy.

Jointly with the U.S. Embassy in Zambia and the Department of Energy of Zambia, the Trade Hub met with the Minister of MMEWD, as well as the Deputy Minister and the Permanent Secretary. The Department of Energy and the Trade Hub updated the Ministry on the status of the REFIT Policy and preparation for the DoE's policy validation workshop. It was confirmed that the government considered mini and micro-hydro, solar, biomass and wind as priority sectors in the renewable energy space in Zambia and expressed support for the REFIT policy efforts in Cabinet discussions.

### **CAPACITY BUILDING FOR ENERGY STAKEHOLDERS**

Immediately following the REFIT Workshop, the CE team initiated discussion of the avoided cost tariff development with the core ERB staff designated to work on REFIT. A two-day training session introduced the core team members to the basics of avoided costs in an electrical utility. The CE team consultant discussed the essential fixed and variable cost elements in a utility system and the allocation of these costs.

The training also included basic principles of average daily and annual utility load shapes and economic principles of marginal costs, as well as the use of utility costs to develop marginal costs and avoided costs based on future generation, transmission and distribution expansion plans.

This first round of training to ERB provided the CE team with a better understanding of the capacity building needs of the ERB, which is critical for the development of the second round of the formal training on the avoided cost tariff in Q1 FY2015. At the end of training, ERB and the CE team agreed on the timeline for the second phase and decided that the principal stakeholders to be included in the capacity building and training would include relevant staff from ERB, ZESCO, REA and MMEWD.

The Trade Hub held an inception meeting with REA in Zambia to launch the development of guidelines for financing incentives for rural electrification projects and to introduce the consultants' team to REA's CEO and Technical Director. The Trade Hub produced an inception report summarizing the activity concept and submitted it to REA in August.

The work with the Zambian stakeholders resulted in:

- Conducting the first Renewable Energy Feed-In Tariff (REFIT) Policy Awareness and Training Workshop with the Department of Energy/Ministry of Mines, Energy and Water Development on July 10-11, 2014;
- The preparation of the first Draft REFIT Policy document and submission to MMEWD in August 2014;
- Meeting with the Minister of Mines, Energy and Water Development in September 2014;
- Implementing the first phase of avoided cost capacity building for ERB in July 2014;
- Launching and the preparation of an inception report for the development of guidelines for financing incentives for rural electrification projects with REA during July – September 2014.

### **WORKING WITH RERA**

In February 2014, the Clean Energy team met with the Regional Electricity Regulators Association (RERA) in Windhoek, Namibia to advance the development of a regulators' training program and detailed action plan



to establish a sustainable pool of local and regional regulatory trainers. RERA is keen to establish a sustainable program that will create a stable pool of expert trainers available to deliver regulatory training courses to the regional regulators' staff at various levels.

It is also necessary to develop a training curriculum and corresponding materials to be delivered on an as-needed basis. RERA requested the Trade Hub's assistance to update its survey template and facilitate a new capacity needs survey for consideration by RERA's Portfolio Committee on Capacity Building.

The Trade Hub's Clean Energy team started implementation of Phase 1 of the Train-the-Trainers program with RERA. The Trade Hub analyzed the current RERA Regional Survey Questionnaire as a tool to identify RERA members' training needs and prepared an updated survey. After RERA has implemented the survey, the CE team will prepare the Capacity Needs Assessment Report, which will become a foundation for developing the training curriculum.

The work with RERA resulted in the following outcomes:

- The CE team contracted consultants for preparation of a Capacity Needs Assessment for RERA through a competitive selection process;
- The CE team prepared a new Regional Survey Questionnaire and submitted it to RERA in August 2014.

## **SUPPORTING RENEWABLE ENERGY IN SWAZILAND**

In November 2013, the Trade Hub launched technical assistance in Swaziland to develop the Renewable Energy and Independent Power Producer (RE&IPP) policy and to undertake the Strategic Environmental and Social Assessment. The team met with Department of Energy (DOE) officials and the Stakeholder Steering Committee that was set up to help the government oversee the policy development process. The team also carried out policy consultations and participated in more than 20 meetings with representatives of organizations and companies relevant to RE&IPP policy development.

In collaboration with the Swaziland Energy Regulatory Authority (SERA), in January 2014, the Trade Hub completed a review of the Electricity Industry Cost of Supply Study. The review helped SERA adjudicate the next tariff increase application by the Swaziland Electricity Company for 2014 and built its institutional capacity to review future Cost of Supply Studies. The review of the Electricity Act was aimed at enabling SERA to formulate necessary regulatory rules, regulations and by-laws for the electricity industry.



**Trade Hub consultant Maree Roos presented the National Electricity Grid Code during the training and validation workshop in Swaziland on September 29, 2014.**

In February and March 2014, the CE team conducted two workshops for SERA discussing the review. The first workshop was held internally at SERA and allowed a deep technical discussion of the tariff setting process. SERA asked to be a co-organizer of the second workshop and contributed to its organization by providing a conference facility, coordination and an information package for participants.

This capacity building workshop with SERA was open to a broad audience relevant to the energy sector. More than 35 participants participated from SERA; the U.S. Embassy Swaziland; the Ministry of Natural Resources and Energy; Swaziland Electricity Company; Swaziland Standards Authority; Swaziland Water and



Agricultural Development Enterprise; Swaziland Water Services Corporation; Consumer Association; Federation of Swaziland Employers & Chamber of Commerce; USA Distillers and more than ten private sector industries dealing with sugar, biomass and solar energy projects. A post-workshop evaluation revealed that the participants found the workshop very useful and informative on the renewable energy and independent power producer policy issues facing the country.

The CE team also continued the development of the RE&IPP Policy, including its Strategic Environmental and Social Assessment for Swaziland. Together with the Department of Energy of the Ministry of Natural Resources and Energy, the Trade Hub held a policy awareness and consultation workshop in March 2014. The workshop gathered more than 40 participants; including the Stakeholder Steering Committee that was set up to help the government oversee the policy development process, as well as private and public organizations and individuals. The workshop was officially opened by the Director of Energy, and the Economics and Commercial Officer from the U.S. Embassy in Mbabane. According to DOE, Swaziland plans to generate 50% of its own energy from renewable sources by 2022.

The Trade Hub CE team presented a draft RE&IPP Policy outline and draft SESA report, and sought comments that will inform the first draft of the policy paper. The workshop participants complimented the organizers for making the RE&IPP Policy development an open, participatory process. Particularly important was the input from existing and potential IPPs that shared their hands on experience with the power connections applications and project preparation in Swaziland. RE&IPP policy will maximize outcomes in the following areas:

- Utilization of local renewable energy;
- Energy security;
- Economic diversification;
- Local job creation;
- Social economic empowerment;
- Increasing public revenues;
- Environmental sustainability.



**Participants in a workshop on SERA organized by the Trade Hub Clean Energy team.**

In Quarter 4, of FY 2014, the Trade Hub worked on updating the draft policy paper, as well as a SESA report based on DOE and Swaziland Environmental Agency comments. Continuing its collaboration with SERA, the CE team launched the development of a Swaziland Electricity Grid Code in July 2014. The Grid Code is a standard set of rules for building, operating and maintaining the electric grid, including standards for new renewable energy connections and market rules. Most importantly, the Grid Code also includes rules for the Renewable Energy producers, who potentially can connect to the grid.

The CE team prepared an inception report on the Swaziland Grid Code development and distributed it to SERA and USAID. The project included a series of technical consultations with the major energy sector stakeholders in Swaziland, preparation of the Draft Swaziland Electricity Grid Code, and culminated with a validation workshop in September 2014. The Grid Code has been harmonized with the regional regulations and particularly with the Grid Codes of several southern African countries. A transparent development

process ensures its rapid adoption by the government. The Grid Code will become a tool to organize and facilitate the connection of IPPs to the national grid and improve the grid development and maintenance.

The Grid Code Training and Validation Workshop was held in Manzini on September 29, 2014, and Swaziland Electricity Company (SEC), one of the main users of the Grid Code, shared the cost of the workshop by offering its conference facility. SERA's CEO, who opened the workshop, said: "the exercise is long overdue in Swaziland" and emphasized that "the Grid Code will shorten PPA registration and simplify Independent Power Producers' application process, as well as level the playing field in the energy sector of the country."

The Trade Hub's work in Swaziland resulted in the following outcomes:

- Launched the development of Swaziland Electricity Grid Code;
- Prepared the Draft Grid Code in transparent and interactive public dialogue and conducted the training and validation workshop.

## **MILESTONES AND RESULTS PLANNED**

- Zambia REFIT Policy Validation workshop held in Lusaka, Zambia;
- Avoided Cost Tariff capacity building conducted for ERB, Zambia;
- Development of Guidelines for Financing Incentives for Rural Electrification Projects with REA, Zambia continued;
- Swaziland Electricity Grid Code finalized;
- Second draft of RE&IPP policy and Strategic Environmental and Social Assessment report submitted to DOE/Swaziland and presented at validation workshop;
- Train-the-Trainers program for RERA advanced through development of the Training Needs Assessment.





Enabling Environment

## **ENABLING ENVIRONMENT**

### **CAPACITY BUILDING ON STANDARDS & WTO TECHNICAL BARRIERS TO TRADE ENQUIRY POINTS**

#### **ENQUIRY POINT WORKSHOPS**

The World Trade Organization's (WTO) Agreement on Technical Barriers to Trade (TBT) requires each WTO member state to set up a National Enquiry Point and notification authority to help encourage fair and effective trade standards. Without a National Enquiry Point, the private sector has no simple and accessible means of gathering required information for trade, which hampers economic growth and food security in the region. The Trade Hub is assisting Malawi, Lesotho and Zambia to establish National Enquiry Points and Notification Authorities.

The Enabling Environment (EE) team ran a series of three training workshops on operating an effective WTO TBT Enquiry Point and Notification Authority in Blantyre, Malawi on December 4-6; in Lusaka, Zambia on December 9-11; and Maseru, Lesotho on December 16-18, 2013. The training was designed to help participants understand the functioning of an effective Enquiry Point and Notification Authority and was facilitated by a U.S.-based consultant with more than 30 years of experience working in standards and WTO TBT Enquiry Point operations.

In Lesotho, the participants included the Lesotho Department of Standards and Quality Assurance, Lesotho Electricity and Water Authority, Lesotho Communications Authority, the Lesotho Chamber of Commerce and Industry, and government ministries including the Ministries of Trade and Industry, Agriculture and Food Security and Labor and Employment as well as representatives from the Ministries of Tourism, the Environment and Culture. In Malawi, the participants included the Malawi Bureau of Standards (MBS), Malawi Investment and Trade Centre, Malawi Confederation of Chambers of Commerce and Industry, the Department of Agriculture Research, the Ministry of Industry and Trade, Malawi Revenue Authority and the Department of Animal Health. In Zambia, participants included the Zambia Bureau of Standards (ZABS), Zambia Association of Manufacturers, Zambia Chamber of Small and Medium Business Associations, Zambia Chamber of Commerce and Industry, Ministry of Commerce, the Common Market for Eastern and Southern Africa, Zambia National Farmers Union, Zambia Development Agency and Zambia Consumer Association.

#### **BENCHMARKING VISIT TO THE UNITED STATES**

The Trade Hub sponsored a delegation of eight WTO TBT Enquiry Point and Notification Authority designated officials from Lesotho, Malawi and Zambia on a benchmarking visit to the United States January 13-17, 2014. This was part of the Partnership for Trade Facilitation (PTF) Standards Alliance Assistance, and was organized to offer the delegates a comprehensive understanding of the functioning of the U.S. Enquiry Point as they work to establish or improve the enquiry points in their own countries. The visit was organized in conjunction with the American National Standards Institute (ANSI) and hosted by the National Institute of Standards and Technology (NIST).

During the visit, the delegates spent two days at ANSI in Washington, D.C. and three days at the NIST complex in Gaithersburg, Maryland, where they heard presentations by various experts from U.S. standards development organizations and officials from different government departments involved in trade and WTO issues, while observing the operations of the U.S. Enquiry Point and Notification Authority.



Following their visit, the delegates worked with the Trade Hub to develop a program to implement lessons learned. The implementation program includes establishing or reorganizing the country's enquiry point using newly acquired expertise before embarking on a country-wide awareness drive to inform stakeholders about the enquiry point and how best to benefit from it.

***Purchasing of Information Technology (IT) Equipment.***

As part of the capacity building and technical assistance for Lesotho and Malawi through Partnership for Trade Facilitation (PTF), the Trade Hub purchased IT equipment to help each country establish an effective WTO TBT Enquiry Point and Notification Authority. The equipment is for use by the Lesotho Department of Standards and Quality Assurance and the Malawi Bureau of Standards WTO TBT Enquiry Point and Notification Authority.



**Delegates on the steps of the U.S. Capitol during the benchmarking visit.**

**MALAWI NATIONAL ENQUIRY POINT (NEP) LAUNCHED**

In conjunction with the Malawi Bureau of Standards, the Trade Hub launched the Malawi NEP in Lilongwe on September 24, 2014 and held NEP awareness seminars in Blantyre on September 22 and Mzuzu on September 26. A large number of stakeholders attended the event, which was designed to increase understanding of NEP functions and their importance in international trade. The launch followed training of MBS staff. The NEP is housed in the MBS in Blantyre.



**NEP Launch in Lilongwe, Malawi.**

## **SUPPORT TO LESOTHO ON STANDARDS**

### **STRATEGIC IMPLEMENTATION PLAN FOR A NATIONAL STANDARDS INSTITUTE IN LESOTHO**

On April 28, 2014, the Trade Hub submitted the draft Strategic Implementation Plan for a NSI for Lesotho to the Department of Standards and Quality Assurance (DSQA) for review and comment before finalization. The Trade Hub developed the draft plan, which includes a strategy and structure for the proposed NSI, following one week of stakeholder consultations and a one-day Stakeholder Consultation Workshop in Maseru attended by participants from both the public and private sectors.

The work is part of the PTF Standards Alliance technical assistance for Lesotho being provided by the Trade Hub to the government of Lesotho. The PTF Standards Alliance facility is designed to assist developing countries in effectively implementing their commitments under the WTO TBT Agreement.

### **DEVELOPMENT OF FOOD SAFETY POLICY FOR LESOTHO COMPLETED**

On May 5, 2014, the Trade Hub completed its technical assistance on food safety for Lesotho following the submission of the final draft National Food Safety Policy for Lesotho and a report on the Lesotho Food Safety Control System to the DSQA. The Food Safety Policy for Lesotho provides a framework for a coordinated approach to food control. The policy outlines national objectives of the food safety control system, sets goals for the medium- to long-term, and highlights the roles and responsibilities of the various stakeholders, giving them legal mandates as appropriate.

In developing the Food Safety Policy, the Trade Hub supported and attended a one-day stakeholder consultation workshop on the Food Safety Control System in Maseru, organized to provide participants with feedback on the status of the food control system. The workshop allowed the Trade Hub's food safety expert to validate information gathered from meetings held during a one-week stakeholder consultation in the country and was attended by more than 40 people from both the public and private sectors.

### **STAKEHOLDER CONSULTATION WORKSHOPS**

As part of the development of the National Quality Policy for Lesotho, the Trade Hub facilitated stakeholder consultation workshops in Maseru May 13-15, 2014 under the PTF Standards Alliance facility. Government regulators attended the first day and participants from non-government organizations and the private sector attended the second day. On the third day, the two groups came together to discuss the findings after the Permanent Secretary for the Ministry of Trade and Industry, Cooperatives and Marketing gave opening remarks. The information gathered from this process formed the basis of a draft National Quality Policy and regulatory framework document circulated to all participants for review before a final validation workshop on July 24, 2014.

### **LESOTHO NATIONAL QUALITY POLICY VALIDATION WORKSHOP**

The Trade Hub facilitated a one-day workshop on July 24, 2014 to validate the draft Lesotho National Quality Policy and Regulatory Framework in Maseru, Lesotho. The objective of the workshop was to validate and discuss the feedback from stakeholders following their review of the draft National Quality Policy and Regulatory Framework for Lesotho, being developed by the Trade Hub under the PTF. The workshop was officially opened by the Principal Secretary in the Ministry of Trade and Industry, Cooperatives and Marketing and was attended by participants from the private sector, government ministries, non-governmental organizations, regulators, local authorities and the Department of Standards and Quality Assurance.

### **LESOTHO WORKSHOP ON REFERENCING STANDARDS IN TECHNICAL REGULATIONS**

The Trade Hub hosted a second two-day workshop on guidelines for referencing standards in technical regulations in Maseru, Lesotho on August 5-6, 2014. The workshop was attended by participants drawn from the private sector, government, regulators, local authorities and the Lesotho Department of Standards and Quality Assurance. The objective of the workshop was to determine how best to reference standards in technical regulations to create an effective process for legislating standards in Lesotho, in order to enhance trade and competitiveness. The workshop familiarized participants with the relationship between law and standardization, covering how regulators can apply standards when developing technical regulations. The workshop was part of the Trade Hub's technical assistance on standards to Lesotho through the Lesotho DSQA under the PTF Standards Alliance facility aimed at strengthening the legal and regulatory framework for standards, implementing an effective TBT enquiry point and improving the standards development process.

### **PTF ASSISTANCE TO SADCSTAN AND ZAMBIA BUREAU OF STANDARDS**

#### **SADCSTAN STRATEGIC PLANNING AND ANSI NEEDS ASSESSMENT**

In November 2013, the EE team facilitated a two-day SADC Cooperation in Standardization (SADCSTAN) strategic planning meeting in Johannesburg, South Africa. The strategic planning meeting delivered a report detailing needs that could be addressed under the PTF Standards Alliance facility. In a subsequent meeting that month, SADCSTAN held a needs assessment meeting with ANSI, USTR and the Trade Hub exploring possible areas for technical cooperation. The trilateral meeting also discussed the development of a regional technical assistance program on standards development and harmonization under the PTF facility. The meeting resulted in the technical assistance program for SADCSTAN, which the Trade Hub is currently implementing in partnership with ANSI.

#### **CAPACITY BUILDING AND TECHNICAL ASSISTANT PROGRAM**

The Trade Hub, in partnership with ANSI, developed and presented a capacity building and technical assistance program on standards for SADCSTAN and ZABS. The Standards Alliance assistance for SADCSTAN resulted from the SADCSTAN needs assessment meeting with ANSI/USTR held in Johannesburg, South Africa in November 2013, which was facilitated by the Trade Hub. The capacity building and technical assistance program is aimed at improving standards and technical regulations development and information provision in Southern Africa.

The assistance to Zambia through ZABS is aimed at improving the standards development process and strengthening the legal and regulatory framework for standards. The assistance includes essential IT equipment and reference material to enhance the WTO TBT Enquiry Point and Notification Authority operations, capacity building for technical committees on writing of standards, private sector training on standards and a workshop on referencing standards in technical regulations.

#### **REFERENCING STANDARDS IN TECHNICAL REGULATIONS WORKSHOP IN MALAWI**

The Trade Hub hosted a two-day workshop outlining the guidelines for referencing standards in technical regulations July 17-18, 2014 in Lilongwe, Malawi. The workshop was officially opened by the Principal Secretary in the Ministry of Trade and Commerce and attended by participants from government ministries, non-governmental organizations, regulators, local authorities, the Malawi Bureau of Standards (MBS) and the private sector. The workshop was part of the Trade Hub's technical assistance on standards to Malawi through the MBS aimed at strengthening the legal and regulatory framework for standards in Malawi under the PTF program.

## **GENDER INTEGRATION**

### **GENDER INTEGRATION TRAINING FOR TRADE HUB STAFF**

An internal gender audit conducted in 2013 emphasized the need for further internal capacity building among project staff through training, development and implementation of gender integration policy, as well as the provision of gender integration tools such as manuals, handbooks and techniques to assist Trade Hub personnel with gender mainstreaming activities. In Quarter 3, the Trade Hub prepared a scope of work for a consultant from the Southern Africa region to conduct a short-term assignment supporting gender integration in Trade Hub activities and recruited a consultant. In the first quarter of FY2015 the consultant will conduct advanced gender integration training for Trade Hub gender focal persons, develop a gender integration policy for the project and roll out reference material and assessment tools. The consultant will then train team leaders to use these tools and work with each team to integrate gender considerations into selected Trade Hub activities planned for agriculture and trade facilitation.

### **GENDER INTEGRATION TRAINING IN SADC FEED THE FUTURE COUNTRIES**

The Trade Hub conducted gender integration awareness training in the three FtF countries in the SADC region – Malawi, Mozambique and Zambia – in August and September 2014. The training is part of the Trade Hub's goal to integrate gender issues in all Trade Hub processes, practices and partnership activities. The training covered basic concepts of gender: examining the differences between gender and sex and the various cultural, religious and socio-economic factors that determine gender roles and responsibilities, as well as the gender division of labor in agricultural production and how to use gender to improve groundnut production. It also included exercises to apply gender analysis principles to a value chain at the farmer level.



**Gender Integration Training at Aflatoxin Training.**

In Malawi, the training was held in conjunction with the Trade Hub's training on aflatoxin removal from groundnuts for processing. There was a total of 48 participants in two groups on August 11 and 13, 2014 in Blantyre. In Mozambique, The Trade Hub delivered training in Nampula, Mozambique on September 3, 2014 subsequent to the training on removal of aflatoxin in groundnuts and in Zambia at the In Service Training Trust in Lusaka on September 11 and 12, 2014.

## **ENVIRONMENTAL COMPLIANCE**

During Quarters 1 and 2, the EE team reviewed and compiled environmental assessments for five potential SPGs as part of the grant application process. During Quarter 3, the Trade Hub produced an Environmental Screening and Review Report based on the approved FY 2014 work plan and compiled environmental assessments as part of the grants process. The report fulfills the requirements for the FY 2014 project-wide Environmental Review Report which outlines the environmental screening results of all Trade Hub activities, and notes where a separate Environmental Review Report and Environmental Mitigation and Monitoring Plan was completed for all activities found to have moderate or unknown risk. The Trade Hub continued to provide Environmental Screening Forms and Environmental Compliance summaries on completed grants.



## **MILESTONES AND RESULTS PLANNED**

In FY 2015, the Trade Hub will continue to provide technical assistance and capacity building to bridge the gaps in the above areas and to ensure that Botswana, Lesotho, Malawi and Zambia move toward greater compliance with the WTO TBT Agreement. Planned results under this activity are:

- Capacity building of technical committees conducted in Lesotho, Malawi and Zambia;
- Effective TBT Enquiry Point and Notification Authority set up in Botswana and Swaziland;
- Capacity building of technical and consultative committees in Botswana and Swaziland;
- WTO TBT Consultative Committee Forum for Southern Africa established and capacity building conducted;
- Capacity building conducted on referencing standards in technical regulations in Botswana and Swaziland.

# III. ISSUES, CHALLENGES AND LESSONS

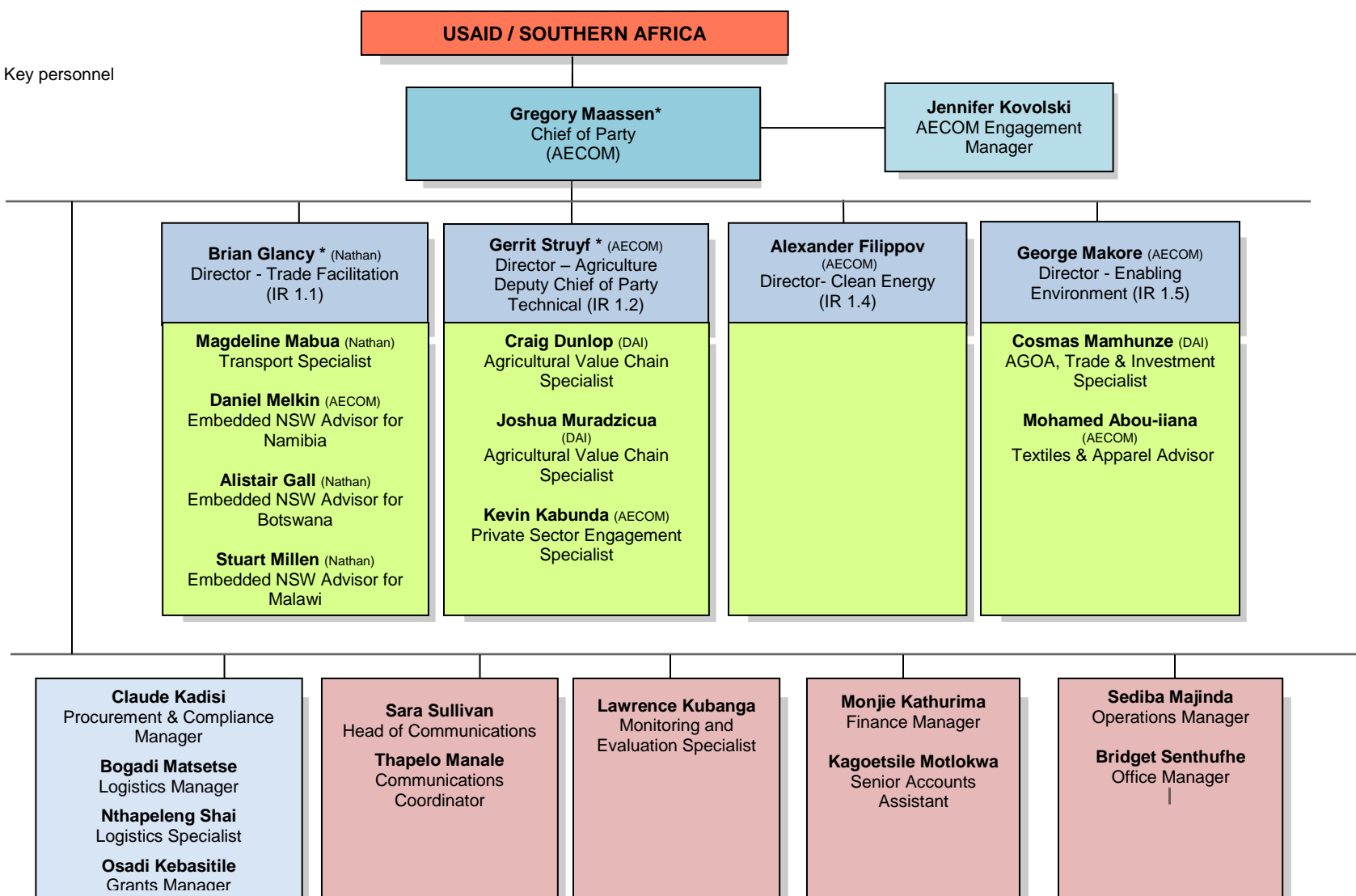
Most Trade Hub initiatives involve policy, regulatory, organizational and systemic change; extensive consultation and stakeholder relationship management; change management and capacity building. These are complex issues which require skillful, patient handling as well as significant time and effort. Most of the initiatives in all the indicative result areas encompass several public and private sector agencies and stakeholders. Progress depends mainly on the ownership, commitment, capacity and actions of the partners and agencies that the Trade Hub is supporting, since they must make the decisions, manage the processes and commit their own resources to achieve desired outcomes.

During the course of implementation, Trade Hub staff has become aware of the factors that make the difference between success and slow progress or failure, :

- The Trade Hub must base work plans and interventions on reliable assumptions that reflect the needs and will of partners and align with their planning, budgeting and operating cycles;
- For all planned technical assistance, there must be counterparts in the partner organizations to work with the experts and to take ownership of the solutions;
- All statements of work to deliver technical assistance should be cleared and signed off by the recipient organization or unit and reflect an agreed action plan, with roles, responsibilities and deliverables clearly laid out on a timeline;
- Where feasible, the Trade Hub should appoint country-based representatives to provide close ground support and follow-up, and to better maintain close stakeholder relations;
- The team must understand the business culture and decision-making processes in all countries;
- The team should identify key stakeholders and influential players and cultivate a close working relationship with these individuals as the internal champions to drive processes and decisions;
- Where the Trade Hub is introducing new concepts and tools that require high-level decisions with policy, regulatory, innovative partnership and financial arrangements, the team must be adept at:
  - providing complete and balanced information to enable them to fully understand the choices and make informed decisions;
  - understanding capacity constraints and providing solutions to address these to underpin implementation and sustainability.

# IV. ORGANIZATION AND STAFFING

\* Key personnel





## V. FINANCIAL REPORT

QUARTER 4						
	Total Budget	Expenditure Q4 (July to September 2014)	Cumulative Spent Thru September 2014	Budget Remaining	Obligated Amount	Obligation Remaining
	(A)	(B)	(C)	(D)	(E)	(F)
Management and Administration (CLIN 1)	\$ 8,964,263	\$ 417,746	\$ 7,241,586	\$ 1,722,677		
Technical Services/Integration (CLIN 2)	\$ 56,828,878	\$ 1,727,808	\$ 29,253,314	\$ 27,575,564		
CLIN 2 total		\$ 801,095	\$ 15,087,889			
CLIN 2 Breakouts (part of CLIN 2 budget)						
Partnership for Trade Facilitation	\$ 1,000,000	\$ 107,002	\$ 278,407	\$ 721,593	\$ 1,000,000	\$ 721,593
Lesotho DTIS	\$ 160,000	\$ 0	\$ 161,651	\$ -	\$ 160,000	\$ -
CLIN 3 total		\$ 912,025	\$ 13,333,224			
Grants		\$ 14,688	\$ 814,200			
Management and Administration-Option Year (CLIN 3)	\$ 2,468,092	\$ 13,821	\$ 13,821	\$ 2,454,271		
Technical Services-Option Year (CLIN 4)	\$ 14,348,962	\$ 28,489	\$ 28,489	\$ 14,320,473		
<b>Total</b>	<b>\$ 83,670,195</b>	<b>\$ 2,187,865</b>	<b>\$ 36,537,209.80</b>	<b>\$ 47,132,985</b>	<b>\$ 40,229,389</b>	<b>\$ 3,692,179</b>

# VI. ANNEXES

## ANNEX A – PROJECT MANAGEMENT PLAN INDICATOR TABLE

ID		Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
	Initiative			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
IR 1.1 IMPROVED TRADE FACILITATION																
1.1-21	ACTE	Reduction in the number of days (time) required to trade good across borders and along corridors as a result of Trade Hub assistance														
		Malawi														
		Mwanza														
		Export	4hrs 45mins <sup>2</sup>	0	0	4hrs 30mins	3hrs 24mins	4hrs 16mins	3hrs 50mins					4hrs 2mins	3hrs 50mins	128%
		Import	7hrs 12mins	0	0	6hrs 50mins	10hrs 39mins	6hrs 28mins	5hrs 4mins					6hrs 7mins	5hrs 4mins	197%
		Songwe														
		Export	4hrs 49mins	0	0	4hrs 34mins	6hrs 18mins	4hrs 20mins	2hrs 22mins					4hrs 5mins	2hrs 22mins	334%
		Import	15hrs 29mins	0	0	14hrs 42mins	23hrs 22mins	13hrs 56mins	6hrs 42mins					13hrs 9mins	6hrs 42mins	376%
		Zambia														
		Kasumbalesa														
		Export	24hrs 7mins	0	0	22hrs 54mins	11hrs 32	21hrs 42mins	11hrs 32mins					20hrs 29mins	11hrs 32mins	346%

<sup>1</sup> A number of FTF indicators is based on the assumption that the proposed strategic partnership grants in the work plan will be approved.

<sup>2</sup> A lower number for this indicator indicates an improvement.

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		<i>Import</i>	<i>5hrs 40mins</i>	0	0	<i>5hrs 23mins</i>	<i>5hrs 11mins</i>	<i>5hrs 6mins</i>	<i>5hrs 11mins</i>					<i>4hrs 49mins</i>	<i>5hrs 11mins</i>	57%
		<i>Nakonde</i>														
		<i>Export</i>	<i>30hrs 14mins</i>	0	0	<i>28hrs 43mins</i>	<i>17hrs 23mins</i>	<i>27hrs 12mins</i>	<i>17hrs 12mins</i>					<i>25hrs 41mins</i>	<i>17hrs 12mins</i>	286%
		<i>Import</i>	<i>44hrs 38mins</i>	0	0	<i>42hrs 24mins</i>	<i>43hrs</i>	<i>40hrs 10mins</i>	<i>41hrs 59mins</i>					<i>37hrs 56mins</i>	<i>41hrs 59mins</i>	40%
1.2-6	FTF	Numbers of Policies/ Regulations/ Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: Stage 1: Analyzed Stage 2: Drafted and presented for public/stakeholder consultation Stage 3: Presented for legislation/decreed Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	0	N/A	N/A	N/A	N/A	4	4	2	3	15 <sup>3</sup>		21	7	33%
		<i>Sector</i>														
		<i>Inputs</i>						0	0	0	0	0				
		<i>Outputs</i>						0	0	0	0	0				
		<i>Macroeconomic</i>						2	0	0	0	9				
		<i>Agricultural sector-wide</i>						0	0	0	0	2				
		<i>Research, extension, information, and other public service</i>						2	4	2	3	0				
		<i>Food security/vulnerable</i>						0	0	0	0	4				

<sup>3</sup> The Trade Hub will facilitate the review of legislation that may include Customs Law; Customs Tariff Law; Agriculture Law; Food Safety Law; Trade Law regarding licenses and permits; Transport Law; National Standards Law/Product Safety Law for Botswana, Malawi and Namibia.



ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		Climate change adaptation or natural resource management (NRM) (ag-related)						0	0	0	0	0				
		Stages of development														
		Stage 1 of 5						2	0	0	0	3				
		Number of policies / regulations / administrative procedures analyzed														
		Stage 2 of 5						2	0	2	2	3				
		Number of policies / regulations / administrative procedures drafted and presented for public/stakeholder consultation														
		Stage 3 of 5						0	0	0	0	6				
		Number of policies / regulations / administrative procedures presented for legislation/decrees														
		Stage 4 of 5 Number of policies / regulations / administrative procedures prepared with USG assistance passed/approved						0	3	0	1	3				
		Stage 5 of 5						0	1	0	0	0				
		Number of policies / regulations / administrative procedures passed for which implementation has begun														
<b>IR 1.2 GREATER COMPETITIVENESS IN AGRICULTURAL VALUE CHAINS</b>																
<b>1.2-2</b>	<b>FTF</b>	<b>Number of individuals who have received USG supported short-term agricultural sector productivity or food security training</b>	0	N/A	N/A	N/A	N/A	615	390	2,000	1,876	2,970		5,585	2,266	40%
		Type of individual														
		Producers						123	49	1,000	1,620	2,650				
		People in government						0	119	50	11	40				
		People in private sector firms						492	191	900	219	280				

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		<i>People in civil society</i>						0	31	50	26	0				
		<i>Sex</i>														
		<i>Male</i>						492	276	1,500	1,425	1,780				
		<i>Female</i>						123	114	500	451	1,190				
1.2-3	FTF	<b>Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance</b>	0	4	5	10	24	73	169	220	158	152		459	356	76%
		<i>Type of organization</i>														
		<i>Private enterprises (for profit)</i>						59			132	125				
		<i>Producers organizations</i>						5			15	22				
		<i>Water users associations</i>						0			0	0				
		<i>Women's groups</i>						3			2	0				
		<i>Trade and business associations</i>						3			5	4				
		<i>Community-based organizations (CBOs)</i>						3			4	1				
		<i>New/Continuing</i>														
		<i>New</i>						55			132	140				
		<i>Continuing</i>						18			26	12				
1.2-4	FTF	<b>Number of members of producer organizations and community based organizations receiving USG assistance</b>	0	N/A	N/A	N/A	N/A	N/A	627,689	600,000	609,320	607,000 <sup>4</sup>		607,000	627,689	103%
		<i>Type of organization</i>														

<sup>4</sup> Based mainly on Zambia National Farmers Union (ZNFU) partnering in Agri-Expo with Spintelligent.

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		<i>Producer organization</i>							624,852		600,000	607,000				
		<i>Non-producer-organization CBO</i>							2,837		9,320	0				
		<i>Sex</i>														
		<i>Male</i>														
		<i>Female</i>														
1.2-5	FTF	Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance	0	N/A	N/A	5	4 <sup>5</sup>	51	34	100	102	195		351	140	40%
		<i>Type of organization</i>														
		<i>Private enterprises (for profit)</i>						45	25	67	78	157				
		<i>Producers organizations</i>						2	9	22	21	33				
		<i>Water users associations</i>						0	0	0	0	0				
		<i>Women's groups</i>						0	0	0	0	0				
		<i>Trade and business associations</i>						4	0	11	3	4				
		<i>Community-based organizations (CBOs)</i>						0	0	0	0	1				
		<i>New/Continuing</i>														
		<i>New</i>							34			181				
		<i>Continuing</i>							0			14				
1.2-22	FTF	Number of farmers and others who have applied new technologies or management practices as a result of	0	N/A	N/A	N/A	N/A	N/A	N/A	1,200	1,269	2,550		3,750	1,269	34%

<sup>5</sup> This indicator did not have disaggregated numbers for Y1 and Y2.



ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		USG assistance														
		<i>New/Continuing</i>														
		<i>New</i>								1,200	1,269	2,550				
		<i>Continuing</i>								0	0	0				
		<i>Sex</i>														
		<i>Male</i>										1,500				
		<i>Female</i>										1,050				
1.2-8	FTF	Total increase in installed storage capacity (m³)	0	N/A	N/A	0	0	42,000m³	42,000m³	22,400m³	0	10,000m³		7,4400m³	4,2000m³	56%
		<i>Type of storage</i>														
		<i>Dry storage</i>						42000	42000	22400	0	10000				
		<i>Cold storage</i>						0	0	0	0	0				
1.2-9	FTF	Value of Agricultural and Rural Loans	\$0	N/A	N/A	N/A	N/A	\$600,000	\$2,000,876	\$2.738m	\$142,316	\$600,000		\$3,938,000	\$2,143,192	54%
		<i>Type of loan recipient</i>														
		<i>Producers</i>						0	\$800,000	\$142,316	400000					
		<i>Local traders/ assemblers</i>						\$200,876	\$50,000	0	200000					
		<i>Wholesalers/ processors</i>						\$1,800,000	\$1,888,000	0	0					
		<i>Others</i>						0	0	0	0					
		<i>Sex of recipient</i>														
		<i>Male</i>														
		<i>Female</i>														
		<i>Joint</i>														
1.2-10	FTF	Number of public-private partnerships formed as a result of FTF assistance		N/A	N/A	N/A	N/A	15	12	10	7	14		39	19	49%
		<i>Partnership focus</i>														

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		<i>Agricultural production</i>						13	4	5	2	3				
		<i>Agricultural post-harvest transformation</i>						2	5	5	3	5				
		<i>Nutrition</i>						0	0	0	0	1				
		<i>Multi-focus</i>						0	0	0	0	1				
		<i>Other</i>						0	3	0	2	4				
1.2-11	FTF	<b>Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation</b>	\$0	N/A	N/A	N/A	N/A	\$540,000	\$2,464,950	\$2m	\$615,390	\$21,810,400 <sup>6</sup>		\$24,350,400	\$3,080,340	13%
1.2-12	FTF	<b>New technologies or management practices under the following phases of development (Phase I/II/III)<sup>7</sup></b>	0	N/A	N/A	0	0	10	12	17	11	10		37	23	62%
		Phases of development														
		<i>Phase 1 Number of new technologies or management practices under research as a result of USG assistance</i>						0	3	0	2	N/A				
		<i>Phase 2 Number of new technologies or management practices under field testing as a result of USG assistance</i>						0	2	0	2	N/A				
		<i>Phase 3 Number of new technologies or management practices made available for transfer as a result of USG assistance</i>						10	7	0	7	N/A				
<b>IR 1.3 INCREASED TRADE &amp; INVESTMENT IN THE TEXTILES AND APPAREL SECTOR</b>																

<sup>6</sup> \$20m is expected to be generated through the Agricultural Storage Investment Fund (ASIF).

<sup>7</sup> This indicator is proposed to be removed from the PMP since it measures technology development, which is not part of the Trade Hub work. The FTFMS Webinar held on 7 October 2014, clarified that this indicator should track technologies being developed through research and other processes, not ordinary promotion of already existing technologies.

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
1.3-14	ACTE	Value of International and intraregional traded goods, including agricultural products facilitated by the Trade Hub.	\$0	\$50m	\$401,800	\$10m	\$636,975	\$3m	0	\$5m	\$236,427	\$2.5m		\$69,500,000 <sup>8</sup>	\$1,275,202	2%
		Market														
		International					\$302,467	\$1.5m		\$1m	0	\$0.5m <sup>9</sup>				
		Intra-regional					\$334,508	\$1.5m		\$4m	\$19,157	\$2m				
		Type of goods														
		Agricultural					\$260,067	0		0	0	0				
		Apparel					\$89,407	\$3m		\$5m	\$19,157	\$2.5m				
		Other					\$287,501	0		0	0	0				
1.3-15	ACTE	Number of buyer/seller linkages established in export capacity as a result of USG assistance	0	50	493	50	232	375	598	300	356	300		1,075	1,679	156%
		Sector														
		Agriculture			29		208	25	27	0	0	0				
		Apparel			464		24	350	571	300	356	300				
<b>IR 1.4 STRENGTHENED CAPACITY FOR REGULATING THE CLEAN ENERGY SECTOR</b>																
1.4-17	USG standard	Person hours of training completed in technical energy fields supported by USG assistance	0	60 <sup>10</sup>	0	60 <sup>11</sup>	166	3,600	1,656	1,280	1,576	800		5,800	3,398	59%
		Sex														

<sup>8</sup> Targets for FY11 and FY12 appeared to be unrealistic (\$60m combined). Subsequent targets were reduced to a lower target.

<sup>9</sup> The target for International trade is reduced because buyers are likely to lower their orders in 2015 considering that it will be an extension year for AGOA. Swaziland, which has been contributing significantly to textile and apparel exports from the region under AGOA, is also no longer part of AGOA. According to <http://www.ustr.gov>, Madagascar's eligibility for African Growth and Opportunity Act (AGOA) benefits was reinstated in June 2014 and Swaziland's AGOA eligibility will be withdrawn, effective January 1, 2015.

<sup>10</sup> This indicator tracked the number of people trained and was modified to track the number of person hours of training in FY13.

<sup>11</sup> See note 10 above.

ID	Initiative	Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		% Reach
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		Male						2,160	1,408	1,024	1,240	560				
		Female						1,440	248	256	336	240				
<b>IR 1.5 BETTER ENABLING ENVIRONMENT</b>																
1.5-23	USG standard	Person hours of training completed in trade and investment enabling environment supported by USG assistance	0	N/A	N/A	N/A	N/A	N/A	N/A	3,248	2,968	2,436		5,684	2,968	52%
		Sex														
		Male								2,274	1,928					
		Female								974	1,040					
1.5-18	ACTE	Number of policy reforms, regulations, and administrative procedures passed/approved to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance <sup>12</sup>	0	2	1	2	12	3	6	3	2	6		16	21	131%
		Country <sup>13</sup>			BW=1		SZ=12		BW=1		MW=1					
									SZ=5		LS=1					
		Sector														
		Agriculture			0		0		0		0					
		Energy			0		0		0		0					
		Macroeconomic			0		8		3		0					
		Other			1		4		3		2					

<sup>12</sup> Trade Facilitation and Agriculture Value Chains data is not included in this indicator due to different funding pools. TF and Ag data is captured in indicator 1.2-6 above.

<sup>13</sup> BW= Botswana; LS= Lesotho; MW= Malawi; SZ= Swaziland.



ID		Indicator <sup>1</sup>	Baseline	Y1		Y2		Y3		Y4		Y5		Project Total		
	Initiative			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	% Reach
G-19	USG Standard	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income, or employment)	0	N/A	N/A	N/A	N/A	40%	14%	30%	29%	30%		30%	29%	97%

## SUCCESS STORY

# Immigration Reforms Make Botswana More Attractive to Investors

**USAID Southern Africa Trade Hub support results in review of the Point Based System for work and residence permits in Botswana**



*Botswana's commitment to reforming its business environment has recorded another success with the announcement of reforms to the points based system for work and residence permits in Botswana. An objective points based system will allow the country to address skills shortages and encourage investment in sectors targeted for economic diversification.*

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On February 1, 2013, Botswana lowered the cut-off point for new work and residence permits from 75% to 60% and to 50% for renewal applications in response to requests from the private sector. This makes the points-based system (PBS) for permits more responsive to the needs of prospective investors to be able to mobilize skills and experience not already available in the country.

The Trade Hub, which initially assisted the government to come up with the PBS, facilitated the consultations between the government and private sector that led to the adoption of these reforms.

In its efforts to diversify the Botswana economy away from its dependence on minerals, the government of Botswana is actively courting investors in productive sector and taking several steps to transform the business enabling environment to facilitate effective private sector operations.

In April 2012, Botswana introduced a pilot PBS in response to recommendations in a paper commissioned by the Trade Hub. The introduction of the PBS however resulted in high rejection rates for permit applications. The Trade Hub then partnered with the Botswana Investment and Trade Centre (BITC) to organize a consultative workshop bringing together over 200 participants from the private and public sector, to discuss proposals to improve the PBS.

Following these consultations, the Government agreed to lower the cut-off point for permits and to automatically grant permits to investors recommended by BITC and other investment institutions. The reforms are expected to make it easier and more transparent to obtain work and residence permits thus encouraging investment into the country.

According to Mrs. Sethembile Dube, Executive Director of Botswana Exporters and Manufacturers Association (BEMA), the revised PBS comes at the "right time to restore public trust in the immigration law and controls". She noted that it has improved the way investors perceive Botswana, resulting in increased investor confidence on the country.

## SUCCESS STORY

# Boosting Textiles & Apparel in Southern Africa

**USAID Southern Africa Trade Hub partners with private sector for successful Source Africa trade show**



Photo: Southern Africa Trade Hub

During Source Africa 2013, 170 exhibitors from 20 countries exhibited their products to 36 buyers from around the world.

90% of attendants at the business seminars and power breakfasts, arranged by AAFA and the African Cotton and Textile Industries Federation (ACTIF), responded that they would be able to use the knowledge obtained during these events in their business dealings. "One participant told us that the Business-to-Business networking was as productive as what they had witnessed at many of the more widely-attended trade events in Asia," reports Steve Lamar from AAFA.

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With 1,401 participants, 170 exhibitors and 36 buyers from local and international retailers, Source Africa 2013 demonstrated what can be achieved when USAID's regional textile and apparel experts join forces with private enterprise in Southern Africa to boost regional industry.

Source Africa 2013 took place from April 9-12 at the Cape Town International Convention Center in Cape Town, South Africa. USAID's Southern Africa Trade Hub used its extensive network in the textile and apparel value chain to identify and recruit suppliers and buyers to exhibit in the trade expo and to participate in a business-to-business matchmaking program and series of business seminars. Source Africa was designed to demonstrate that African suppliers can compete on price, quality and standards and was the first pan-African textiles and apparel event of its kind.

"We think Source Africa 2013 was a home run on all marks. We were pleased to see exhibitor booths humming with activity during both days of the trade show," stated US partner, the American Apparel and Footwear Association (AAFA), after the event.

Source Africa brought together manufacturers from across the continent in one major integrated event, enabling buyers to examine a wide array of products in one efficient trip. The trade show also encouraged African buyers and suppliers to do business with each other and capitalize on tariff advantages and shorter distances to market by bringing suppliers from 20 different countries to the event. "I have met a lot of interesting people," said Belita Phiri De La Court of Lamoze Fashions Ltd. in Zambia while on the busy trade show floor. "We are really happy to be here."

Director General of the South African Department of Trade and Industry, Lionel October, opened the event by highlighting the importance of collaboration with the US to strengthen the sector and discussing the significant role the industry plays in job creation. Consul General of the United States in Cape Town, Erica Barks-Ruggles, also addressed the opening plenary, emphasizing the commitment of the US government to the region's textiles and apparel industry through the African Growth and Opportunity Act (AGOA) and support for events like Source Africa.

South African private sector event management firm LTE was selected to organize and host Source Africa, which is to become an annual event encouraging linkages between buyers and suppliers, investment into manufacturing capacity in Africa and accelerated job creation for many years to come.

## SUCCESS STORY

# Making the Grade: USAID Training Program Protects Crops

**USAID Southern Africa Trade Hub trains warehouse managers to help reduce severe grain losses in region**



*Further courses will follow throughout 2013 and 2014 in Malawi, Zambia and Mozambique. By the end of the courses, 120 warehouse managers will be trained in Malawi alone from at least 50 different storage operators, reaching the majority of formal grain storage in the country.*

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Fifteen to twenty percent of grain that goes into storage in Southern Africa is ruined before it can be used, leaving approximately 1.3 million tons of product damaged and unsuitable for human consumption or export every year. This represents almost US\$270 million in lost value annually. In addition, a significant amount of grain produced in the region is never graded, meaning that grain of varying qualities is blended without distinction, which lowers the overall price of the grain and prevents export.

The USAID Southern Africa Trade Hub is partnering with local organizations in Malawi, Zambia and Mozambique to address these significant losses with a series of grain management trainings. The trainings cover grain grading and standards, storage management and pest prevention.

Rigorous 12-day residential courses target employees from certified warehouse receipts facilities, government, private traders, feed and grain mills, and other grain processors. The in-depth training includes technical and hands-on demonstrations of sampling, sample preparation, weighing and calculation of percentage, moisture determination, sieving and cleanliness.

Students are taken through group exercises where they practice the grading and sampling themselves, and they visit grain warehouses to see what other players in the industry are doing. Daily progress tests are given to each trainee to evaluate information absorption, and a written examination is required at the end of the course before certification is granted. Sixty to seventy percent of attendees are receiving grain training for the first time.

Frank Kadzakumanja, a structured trade officer with the Agricultural Commodity Exchange (ACE) attended the first training in Malawi and explains the significance of the course: "The biggest challenge in warehouse management is balancing workload and prioritizing tasks. The other main challenge is keeping up with technology changes, finding time to read literature and staying up to date with new technologies. After the training, I have acquired more knowledge on the ground as well as literature that will help ensure all required procedures are completed and on time."

**(Continued on next page)**





*Gloria Liwewe, Warehouse Manager, practices grain grading and sieving during one of the hands-on sessions.*

The Trade Hub's support for grain grading training is an integral part of establishing the Warehouse Receipt System (WRS), which enables the creation of certified warehouse receipts storage facilities affiliated with ACE and with the Auction Holdings Commodity Exchange (AHCX). WRS allows farmers to store grain and sell when prices are favorable, using their warehouse receipt as collateral for inputs and other expenses in the meantime. Warehouses must meet accreditation standards to comply with insurance requirements and to access bank financing. Without accurate grading, a warehouse receipts system cannot function, as the entire system rests on a guarantee of definite quality and quantity.

Gloria Liwewe described the training course as "an eye opener." As a warehouse manager, it is Gloria's job to intake product and decide how to store it. After completing 12 days of intense study, she can now ensure that any commodity flowing out of her warehouse is of high quality and able to conform to export standards. Because Gloria has completed the course, her warehouse can now function as a certified warehouse receipt storage facility, enabling farmers' access to finance and the benefits of the WRS.

On a personal level, Gloria cites aflatoxin mitigation practices as a special priority due to the toxins' link to breast and cervical cancer in Malawi. Gloria also believes that completing the course will help her face the challenges of being one of the few women of her position in the industry: "Knowledge is power. With the skills I have learned from this training I will be able to perform the tasks that men in this industry usually do."

## SUCCESS STORY

# Faster Border Crossings for Better Trade

### Trade Hub program leads to sustained decrease in time taken to cross Nakonde border



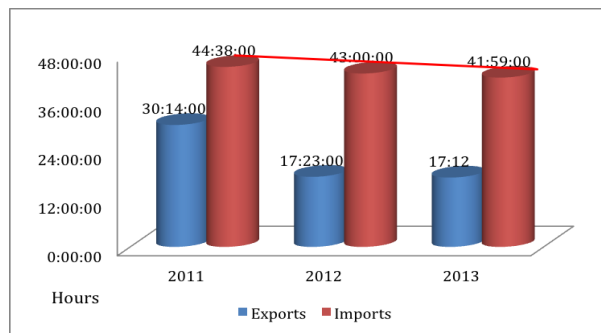
An average of 130 loaded import trucks and 70 loaded export trucks as well as numerous secondhand vehicles and empty trucks now cross Nakonde much faster than in 2011.

*"Our target for improvement in Year 3 of the Hub was 15%, but at Nakonde the improvement was 23% this year, which even exceeds the target for improvement for Year 4, which was 20%. Maintaining the significant improvement achieved in Year 2 and improving it slightly in Year 3 is an achievement in itself. At other borders it has been not uncommon to see improvements one year followed by deterioration of the situation the following year," explains Godwin Punungwe, Director of Trade Facilitation at the Trade Hub.*

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In September 2013, USAID's Southern Africa Trade Hub conducted its third and final assessment of the efficiency of border operations at the Nakonde border post between Zambia and Tanzania, revealing a further reduction in the 2012 border crossing times. The graphic below shows border crossing times in 2011, 2012 and 2013.



These assessments form part of the Trade Hub's Coordinated Border Management (CBM) program, which was designed to encourage better cooperation and coordination among agencies working at the borders in order to simplify the clearance of goods and reduce the time goods spend at the border. Improving border efficiency enhances trade, economic growth and food security in Southern Africa.

The improvements at Nakonde are primarily being driven by the Joint Border Committee (JBC), which was established through the CBM program and consists of representatives from the public and private sectors involved in customs clearing and border crossing formalities. The Nakonde JBC is implementing a revised action plan, developed with Trade Hub assistance, to sustain improvements and identify and address challenges on an ongoing basis.

Having met its goal of reducing border crossing times across targeted borders in Zambia and Malawi by an average of 20% and having transferred over border improvement management to JBCs, going forward the Trade Hub will be focusing its attention on other Trade Facilitation tools such as One Stop Border Posts and National Single Window, which also address challenges associated with deficient infrastructure and inadequate equipment and technologies.